AFRICA RECOVERY

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TOUGH NEGOTIATIONS ON TARGETS EXPECTED

Donors express support for UN, African agenda for action

By Salim Lone

Opening statements by donor countries at the two week UN session on the African economic crisis, which got underway in New York on 3 September, indicated their strong concern and solidarity for a continent gripped by a crisis of unprecedented severity and duration. The richer nations pledged to undertake exceptional measures to assist the continent, and assured it that the events and requirements in other regions such as the Soviet Union would not distract their attention from African concerns. Speaking on behalf of the European Community (EC), Ambassador of the Netherlands Robert Van Schaik said it should be possible for Africa and the international community "to improve the prospects for Africa" through agreement on Africa's proposed "agenda for action "(see p. 2).

UN Secretary-General Javier Pérez de Cuéllar put forward a similar agenda in his comprehensive report on the African economic crisis, which will form the basis of discussion at the 3-13 September session of the Ad Hoc Committee of the Whole of the UN General Assembly.

But, while expressing their solidarity for Africa, the various opening statements by donors signalled the intense negotiations that will be required to bridge the gap between the United Nations and African proposals and donor positions on the key issues confronting the two-week session: the level of aid flows, the amount of debt relief, and action to improve the international trading environment for African exports and for economic diversification.

The Secretary-General's report, which analysed the "unsatisfactory" outcome of the Africa Recovery Programme adopted at a Special Session of the UN General Assembly in 1986, had said the brave efforts, reforms and sacrifices undertaken by African countries in recent years could only succeed through increased international support in these three areas in particular.

While there is overall donor and African agreement on how important these areas are, it is not certain that the donor countries will commit themselves to the specific targets set by the Secretary-General and supported by the Organization of African Unity. For example, the Secretary-General had proposed that development assistance increase to $30 bn a year by 1992 (from $21 bn in 1989). But even the Nordic countries, who spend more of their national income on aid than most other Western donors, indicated how hard it would be to up their aid. "It's unlikely," said Finnish delegation head Anna Liisa Korhonen, "that our aid appropriations would increase in the next few years."

Secretary-General Perez de Cuellar opens UNPAAERD review session. Right, Norwegian Ambassador Martin Huslid, session Chairman.

Nigeria's Minister of Budget and Planning Chu Okongwu speaking on behalf of Africa at the opening.

The early statements indicated widespread consensus on increased debt relief. "Debt is a serious impediment to Africa's development," said Ambassador Van Schaik. "The subject should receive utmost priority in the Paris Club." But there is a wide gap which is unlikely to be easily bridged in two other key areas: the measures proposed by the Secretary-General on how Africa can ensure remunerative and stable incomes from its commodity exports and diversify its economies, and African concerns about the nature of conditionality that governs aid and debt relief.

A number of donors strongly endorsed a greater role for the Global Coalition for Africa, a grouping established with World Bank support. ■

INSIDE

Special section on UNPAAERD review pages13-44

■

Summary of Secretary-General's report

■

Three key issues: financial flows, debt, commodities

■

Factsheets on major economic and social sectors

OAU endorses UN Africa proposals - p.2

OAU endorses UN call for new compact on Africa

The Organization of African Unity (OAU), at a 12-17 August meeting of its Permanent Steering Committee in Addis Ababa, endorsed the main thrust of the UN Secretary-General's report on the UN Africa Recovery Programme, with a call to the international community to enter into a new compact to accelerate the transformation, integration, diversification and growth of African economies.

A new agenda for international cooperation with Africa is needed for the 1990s, the Committee's final communique states. Reflecting the Secretary-General's report, the OAU says such a new agenda must be "specific, clearly focused on measurable goals and targets to be achieved within a specific time-frame and with built-in monitorable performance." It follows the UN in calling for a target of an annual 6 per cent growth in African economies during the 1990s, as well as specific suggestions on increased aid flows, deeper debt relief and a solution to the problem of African commodities.

The OAU's position was formally presented at the opening session of the 3-13 September meeting of the Ad Hoc Committee of the Whole at the UN in New York.

The goals of the UN Programme of Action for Economic Recovery and Development (UNPAAERD) "remain largely unachieved," the OAU says, and socio-economic conditions in Africa are still "highly unsatisfactory." These conclusions were also reached at a May meeting of the UN Economic Commission for Africa's (ECA's) Council of Ministers. The OAU Committee specifically endorsed the final memorandum produced at the ECA meeting and called for its adoption by the international community.

Monitoring committee

The OAU also called for the setting up of a high-level inter-governmental committee "to monitor and report on the implementation of the concrete action" that may be agreed in any new compact. The committee, the OAU suggests, should have equal representation from African and non-African governments, plus representatives from major non-governmental organizations and eminent persons in their personal capacities.

Such monitoring, the OAU suggests, when linked to more specific targets, will strengthen any new compact.

Reviewing the disappointment of UNPAAERD, the OAU argues that "it was the external constraints which constituted the main obstacles to recovery and development." It points in particular to unremunerative commodity prices, a heavy debt-servicing burden and inadequate resources flows.

This reflected the fact that international support for UNPAAERD was "well below" expectations. "Regrettably, the international community did not fully carry out its part of the compact," the OAU argues. Moreover, the focus of international support was concentrated on macro-economic reforms and International Monetary Fund/World Bank supported structural adjustment programmes. The policies of these programmes "were often incompatible with the overriding objective of UNPAAERD," which was to foster durable structural changes, the OAU says.

OAU Chairman Ibrahim Babangida, whose country, Nigeria, led the African group at the UNPAAERD final review.

Firm commitments

In any new compact there must be a "firm commitment" from the international community for more specific, targeted goals. Recent initiatives, such as the debt cancellation for Poland and Egypt (see page 10) and the establishment of the European Bank for Reconstruction and Development, show that the necessary political will can be mobilized. This must happen for Africa, the OAU insists.

African countries are more than willing to do their part in a new compact, the OAU Committee affirms, as they have already shown in UNPAAERD. African countries will continue to undertake policy measures, but in a long-term framework designed to strengthen and transform their economies.

In any compact Africa is determined "to press ahead with the democratization of development," the OAU says. It is also committed to the creation of an enabling environment that "attracts foreign direct investment, induces the return of flight capital and promotes the full participation by the private sector." ■

It was the external constraints — commodity prices, debt burden, resource flows — which constituted the main obstacles to recovery and development.

AFRICA RECOVERY

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DOUBTS ON ACCORD BY OCTOBER BANK/FUND MEETINGS

Progress on debt relief stalled by US budget issue

By Roy Laishley

Efforts to speedily implement the promise made at the July London economic summit of deeper debt relief for Africa are being slowed by the United States' lack of legislative authority for a deal. Despite the agreement by Group of Seven leaders that prompt action was necessary, the problem facing the US could push finalization of a new deal well into the fourth quarter of the year.

Already, a number of African countries, currently eligible for debt relief under the earlier Toronto terms, are lined up to discuss further restructuring with the Paris Club of Western creditors, but have been asked to hold any request for a meeting until a consensus has been reached.

Paris Club officials are scheduled to meet in the third week of September to renew discussion on the modalities of a new debt relief package. Consensus at this meeting would permit Western finance ministers to give their final seal of approval when they gather for the annual meetings of the International Monetary Fund and World Bank, which are being held in Bangkok in mid-October. US officials, however, while declining to specify how long discussions might take, believe further talks will be necessary in October or even November.

UK officials were hopeful that a full agreement on deeper debt relief along the lines proposed by Prime Minister John Major — the so-called Trinidad terms — would be reached at the 15-17 July Group of Seven economic summit in London. In the event, neither the US nor Japan felt able to give a green light to a new set of detailed proposals.

European officials insist, however, that the summit did represent a unanimous political decision to offer additional debt relief in principle. The UN Conference on Trade and Development (UNCTAD), in its forthcoming 1991 *Trade and Development Report*, describes the Group of Seven's decision as "most welcome."

Carefully specifying the poorest, most indebted countries, the Group of Seven's communique registered their agreement "on the need for additional debt relief measures, on a case by case basis, for these countries, going well beyond the relief already granted under Toronto terms."

European officials point out that the communique called on the Paris Club to continue its discussion on how these measures "can best be implemented promptly."

The heart of the US problem lies in the need to seek an expenditure appropriation from the US Congress equivalent to any cancellation offered. Such Congressional approval had to be obtained for both the Egyptian and Polish deals. US officials believe this legislative authority could be difficult to obtain, particularly for any scheme that embraces an unspecified number of countries and amount of debt.

Japan was also "not very hot" on the proposed enhanced relief, one aid official pointed out. It too faces legal and administrative problems when cancelling debts. But officials expressed optimism that Japan would go along with any final deal.

African countries have generally welcomed the Trinidad proposals put forward by Mr. Major last September. In this scheme, the Toronto terms would be improved with a one-time cancellation of two-thirds of the stock of official bilateral debt, with payments on the remainder rescheduled over 14 years, compared with Toronto's menu of options which included a one-third cancellation of debt falling due.

Western officials concede that continuing to offer less favourable terms to poorer countries has become politically untenable.

The push for deeper debt relief was strengthened by the 50 per cent reduction in debt agreed for Poland and Egypt earlier this year (see page 10). But the US has strongly insisted that these were special cases and should not act as precedents. The London communique reiterates that these deals should be treated "as exceptional cases." Western officials concede, however, that continuing to offer less favourable terms to poorer countries has become politically untenable.

Discussion in the Paris Club is now expected to centre on the scope and modalities of any relief, and the criteria for eligibility. The deliberate phrasing in the Group of Seven communique linking greater relief to the poorest countries could specifically exclude such countries as Côte d'Ivoire and Nigeria whose rapidly sinking per capita income has sent them into the low- income, if not yet the very poorest category.

White House/Susan Biddle

President George Bush: needs Congressional approval for deeper debt relief.

Equally significant is the communique's reference to relief on a case by case basis. Unlike Toronto, which offered one set of options to all eligible countries, the scale of relief could vary from country to country coming to the Paris Club.

Explaining the phrase used in the communique of relief "well beyond" that already being granted under Toronto, one Paris Club official said that it would have to mean a reduction "beyond 50 per cent." But figures as high as 80 per cent have been mentioned. Countries could, therefore, be offered cancellations anywhere within this range. Deals could also depend on whether all, or only part of the stock of relevant debt was considered.

Two Latin American countries are scheduled to hold discussions with the Paris Club in September. No meetings have been scheduled for African countries. However, Guinea, Benin, Central African Republic, Guinea-Bissau, Mauritania, and possibly Tanzania and Uganda, are all believed to be close to requesting renewed talks on debt. It is "theoretically possible" that any urgent case could be handled on a one-time basis, an official said, though the issue of what would happen if a Toronto country came to the Paris Club before an agreement was reached has yet to be discussed. Paris Club officials say every effort is being made to achieve a full consensus. Getting it, however, could still take some time. ■

UN SETS UP NEW EMERGENCY PROGRAMME

Massive famine stalks Horn of Africa

By Ernest Harsch

Seeking to head off a human tragedy of massive proportions in the Horn of Africa, the United Nations has issued an urgent international appeal for $400 mn in emergency assistance for nearly 24 million people threatened by famine and disease, primarily in Ethiopia, Sudan and Somalia.

In those three countries, says UN Under-Secretary-General James Jonah, who is responsible for coordinating intensified UN humanitarian action in the Horn, "tens of millions of people are at serious risk due to food shortages and lack of essential drugs, health care and clean water supplies." Tens of thousands more have sought sanctuary in Djibouti and Kenya, where their conditions remain precarious.

"Without a quick and generous response from the international community," stresses the appeal, which notes reports of increasing malnutrition and deaths from starvation, "even greater suffering and loss of life will inevitably follow."

According to Mr. Jonah, who visited the Horn in July, the situation in many parts of the region is now worse than it was in the 1984-85 famine. And while there are serious emergency situations in some other parts of Africa — especially Mozambique, Angola and Liberia — the crisis in the Horn is unique both in complexity and scale.

It was because of the scope and urgency of the Horn crisis that UN Secretary-General Javier Pérez de Cuéllar directed that Mr. Jonah's office be strengthened, establishing within it a Special Emergency Programme for the Horn of Africa (SEPHA). The initiative also came at the request of donors, non-governmental organizations and the Organization of African Unity that the UN play an enhanced role in international disaster relief (see box).

Horn of Africa: population affected by famine
(in millions)

	In-country	Refugees and returnees	Total
Ethiopia	8.0	1.1	9.1
Sudan	7.7	1.0	8.7
Somalia	4.5	0.1	4.6
Djibouti	—	1.0	1.0
Kenya	—	0.5	0.5
Total Horn	**20.2**	**3.7**	**23.9**

Source: SEPHA

Relief plane being loaded in Kenya, for famine victims in southern Sudan. The UN is stepping up its role in coordinating relief operations throughout the region.

The political dimension

Improved coordination of donor assistance and relief operations is vital not only because of the magnitude of the famine conditions in the Horn, but also because of the region's large-scale population movements, logistical difficulties, and complex and rapidly shifting political circumstances.

Most countries of the region have been afflicted by persistent drought and warfare for years, seriously undermining farmers' capacities to grow and market food, and creating large refugee populations in need of emergency assistance. Over the past year civil strife has become particularly intense, leading first to the collapse of the Somalian government in January, and then the Ethiopian government in May. Rebel movements set up interim governments in both countries, although the security situation remains far from stable. Warfare continues to rage in Sudan.

"It is evident," said Mr. Jonah, "that the resolution of political and military conflicts and the establishment of stable political institutions in the Horn of Africa are required before the suffering of innocent people in these countries can be permanently ended."

In a way that has not been done before in emergency operations, the UN, in particular the Secretary-General's office, will seek to provide a political input aimed at resolving and preventing conflicts, says Mr. Michael Priestley, who has been asked by Mr. Jonah to set up and direct the work of the SEPHA office. "The centrepiece of this is to bring to bear in complex emergency situations the whole political, developmental and moral weight and experience of the UN system," says Mr. Priestley.

Agreement with governments is essential for ensuring the most effective emergency operations. But at the same time, noted a UN inter-agency mission headed by World Food Programme (WFP) Executive Director James Ingram, which visited the Horn in June, relief efforts may have to involve arrangements with "authorities that have not yet received international recognition, but are exercising effective authority" in emergency areas. "The approach," said the mission's report, "should be one where humanitarian concerns transcend political boundaries."

Blockages and breakthroughs

Operation Lifeline Sudan, originally negotiated between the UN and the Sudanese government in 1989, marked the first time the UN had won government agreement to make relief arrangements directly with an opposition force, the Sudanese People's Liberation Movement (SPLM), which is active in wide areas of the south. Coordinated by the UN Children's Fund (UNICEF), the operation moved relief supplies to government-held towns in the south, as well as areas controlled by the SPLM.

According to Mr. Jonah, an "impasse" has now arisen over use of Operation

Lifeline Sudan's surface routes, which are essential to relief efforts in the south. Airdrops are continuing, however, and, in a recent breakthrough, agreement was reached for the delivery of food and other emergency supplies by WFP barges to both government- and SPLM-held areas in the south. The UN is seeking to facilitate agreement between the government and the SPLM on reactivating all the surface routes, and opening a new cross-border route from Gambella, Ethiopia. This has become particularly urgent with the unexpected return to southern Sudan of 260,000 Sudanese formerly in refugee camps in Ethiopia.

The collapse of the previous Ethiopian government and armed forces in late May in the face of advances by the Ethiopian People's Revolutionary Democratic Front (EPRDF) led to several weeks of political turbulence and insecurity in that country. Most emergency operations were temporarily suspended following the killings of several relief personnel and the looting of food stocks by roaming bands. Only in Eritrea, which came under the control of the Eritrean People's Liberation Front (EPLF), did relief efforts continue throughout this period.

By the time the UN inter-agency mission visited the country in mid-June, the new interim government set up by the EPRDF in Addis Ababa was already seeking to reestablish order in Hararghe, Ogaden and Sidamo, areas with large numbers of refugees and affected people. Local "peace and security committees," composed of community leaders, were being set up and gave high priority to supporting the work of the emergency relief agencies.

In late July Mr. Jonah visited Eritrea, where the EPLF is planning to hold a referendum on self-determination within two years. A joint communiqué by Mr. Jonah and Mr. Isaias Afwerki, Secretary-General of the Provisional Government of Eritrea, stressed agreement on the need to facilitate and coordinate relief efforts in the Horn. Subsequently, the WFP reached agreement with the Eritrean authorities on the use of Massawa port for transporting relief cargo to the neighbouring Ethiopian provinces of Tigray and North Wello.

After a seven-month hiatus in Somalia, where warfare and the collapse of civil authority had forced the evacuation of most UN and other relief personnel, the UN reestablished its operations in August. It did so both in the south, where a coalition of movements has established a provisional government in Mogadishu, and in the north, which is under the control of the Somali National Movement. Reconciliation efforts have been underway to restore peace and maintain the country's unity.

Enormous challenge

International relief efforts in the Horn face an enormous challenge. The $400 mn included in the Secretary-General's appeal, while a significant amount, covers only the most urgent needs until the end of the year. It reflects additional emergency requirements that have developed as a result of the shifting situation, and also incorporates unmet needs from earlier appeals.

In Ethiopia, much of the 1.2 mn tonnes of emergency food aid needed for 1991 has already been pledged or delivered, leaving a shortfall of 148,000 tonnes that need to be provided by donors. Major logistical problems remain, however, given the limited off-loading and transport capacities from the ports of Djibouti and Assab, the destruction of operational bases and loss of many relief trucks. The biggest portion of the appeal for Ethiopia thus covers logistical costs.

Of the 1.2 mn tonnes needed by Sudan, only 660,000 tonnes have been pledged or

turn to page 6

UN seeks new relationship with donors, NGOs

The potential exists for a "tremendous humanitarian response in all the major donor countries," states Mr. Michael Priestley of the UN's new Special Emergency Programme for the Horn of Africa (SEPHA). He notes that the UK and US governments, for example, have both greatly strengthened their emergency response units.

For this potential to be more fully tapped, however, the donor community and the non-governmental organizations (NGOs) must be better informed about the seriousness of the emergencies in the Horn and elsewhere, and the concrete relief needs they are generating. But up to now "our systems, mainly our information systems, haven't really responded sufficiently," Mr. Priestley admits, and have not succeeded in bringing the famine in the Horn to the attention of the world in the same way as the 1984-85 famine. (Mr. Priestley was formerly the Secretary-General's special representative for emergency operations in Ethiopia and Sudan.)

With the aim of mobilizing greater international resources, one of the key tasks of the SEPHA office will be to systematically gather and update information on the evolving emergency situations in the Horn, and to quickly disseminate that information to the donors.

Part of this effort will aim at "educating the donors" about the importance in emergency situations of also providing such non-food assistance as health, education and agricultural inputs, which have often elicited a poor response from donors. "If you stop when the immediate relief needs have been met, one thing you can be certain of is that those relief needs will reoccur next year," Mr. Priestley points out.

Michael Priestley of the new UN office on the Horn.

In combatting the famine crisis in the Horn, the SEPHA office will also seek to improve coordination not only among the different UN agencies but also between the UN and the donor and NGO communities, both at headquarters level and in the field. Regular monthly meetings will be held with NGO representatives and ambassadors of the OECD countries to exchange information and develop responses to the Horn's famine crisis.

A dialogue has been underway for about a year, and has intensified in recent months, over the best ways to strengthen and improve the UN's capacity to mobilize and coordinate humanitarian relief efforts, not only in the Horn, but throughout Africa and internationally. At their July summit in London, for instance, the leaders of the seven major Western industrial powers pledged to provide humanitarian aid to counter Africa's famine crises and encouraged "the reform of United Nations structures in order to make this assistance more effective."

"What we're looking for," explains Mr. Priestley, "is a new relationship with both the donors and the NGOs, which will essentially be based on better information, but will lead to a more meaningful partnership in the field."

NEIGHBOURHOODS ELECT RELIEF VOLUNTEERS

Liberians look to self-help in famine crisis

By Ellin Bessner in Monrovia

In the shade of the scoreboard at the Boy Scouts basketball court in Gardnersville, displaced and returning Liberians stood in line, anxious to receive their rations of rice and vegetable oil. It had been six weeks since the last distribution reached the capital, but the Liberian volunteers distributing the food were hoping to take care of all 6,000 ration-card holders by nightfall.

Much of the credit for this well-functioning distribution system rests with the Special Emergency Life Food (SELF), a Liberian non-governmental organization. With emergency food supplies provided by the UN's World Food Programme (WFP), it operates some 170 distribution points around Monrovia, feeding nearly 900,000 people hit by the Liberian civil war.

The UN had launched its relief operation toward the end of October 1990, after a cease-fire saw the West African peacekeeping force, ECOMOG, establish a security zone around Monrovia.

SELF was born during the last desperate days of the siege of Monrovia. "We had to do something or we'd starve," says Dorothea Diggs, the founder of SELF. "People were eating grass."

UN officials and local political figures had approached Mrs. Diggs, who was well known for her work with refugees. She and her colleagues soon mobilized 3,000 people to handle the food distribution. The first consignment was only enough to feed 200,000 people. "We decided to target children," she said.

Through a WFP incentive programme, Liberian men were recruited and divided into teams to unload food shipments. Each member of the team doing the most work received a bonus of five cups of rice, as well as the regular food ration.

SELF's early distribution operations were fraught with problems. In the warehouses, men would wear two pairs of trousers and stuff their pockets and shoes with rice. Rebels once stormed the SELF compound, making off with 700 bags of rice. Enumeration lists were inflated with "ghost houses."

Eventually, SELF tightened up its processes, using computerized lists and instituting workshops and training seminars for staff. By January, as each new food consignment arrived, more and more volunteers elected from the neighbourhoods took over responsibility from SELF for distribution.

Recently, to handle the growing number of returning refugees, 13 New Arrival Reception Points (NARPs) were opened at strategic entry points around the capital. In six weeks the NARPs vaccinated and issued ration cards to 20,000 returnees.

With the political and military situation in Liberia deadlocked, and nearly all the country except Monrovia behind rebel lines — including its rich agricultural lands, rubber plantations and iron mines — the city's economy remains stagnant. Consequently, the WFP has approved an extension of its emergency food aid programme for another year, committing nearly 200,000 additional tonnes, worth $92 mn, until 1992.

Ellin Bessner

Mrs. Dorothea Diggs, founder of Liberia's Special Emergency Life Food (SELF).

"The city runs on rice," comments Richard Snellen, the WFP's emergency coordinator in Monrovia. With rice worth $1 per cup in the local markets, it was used as payment to encourage residents to participate in city-wide clean-ups. They swept up the broken glass and the bullet cartridges, fashioned makeshift power generators out of car batteries and dredged the harbour. Despite the general political uncertainty, in Monrovia at least the crisis is easing. ■

Horn of Africa

from page 5

delivered, all but 78,000 tonnes of it for the north. A larger than anticipated amount of food has been imported commercially, but is selling at prices well beyond the reach of those most threatened by famine. Donors are being asked to provide another 100,000 tonnes of food for the north. In the south, given the lack of agreement over Operation Lifeline Sudan delivery routes and the beginning of the rainy season, very little additional food can be delivered except by airdrop. An additional 10,000 tonnes of food is needed for the sudden influx of Ethiopian refugees (mostly demobilized soldiers of the defeated Ethiopian army) and Sudanese who returned to the south from Ethiopia.

With 4.5 million Somalians — well over half the total population — affected by famine conditions, the needs in that country are great. But the destruction of most vital infrastructure, including transport systems, the laying of mines around major cities, and the uncertain political and military situation make relief efforts extremely difficult. The International Committee of the Red Cross and CARE have already begun emergency operations, and require some 70,000 tonnes through the end of the year. The World Food Programme is supporting their efforts.

Most of the emergency food needs of the refugees in Djibouti and Kenya have been met, although there are fears that with a continuing influx of Somalians into Kenya, the requirements there may rise in the coming months.

A major emphasis of the Secretary-General's appeal is on non-food emergency needs: health and nutrition, water supply and sanitation, education, seeds and other agricultural inputs. Relief officials are particularly concerned about poor health conditions, which may lead to major outbreaks of disease among populations already weakened by hunger.

According to Mr. Jonah, because of shortfalls in these areas in the donor response to earlier appeals, "urgent health, water and agricultural programmes have either been limited in scope or have not yet started." ■

ECONOMIC INTEGRATION, STABILITY, SOUTH AFRICA

Abuja summit reflects new African priorities

Major decisions face the Organization of African Unity (OAU) in the coming year. The 34 leaders at the 3-5 June summit in Abuja, Nigeria — the largest attendance since the OAU's founding in 1963 — endorsed a programme which touches on many of the most crucial economic and political questions facing the continent. These include greater integration of Africa's economies; the need for more effective mechanisms to assure political stability, resolve armed conflicts and safeguard human rights; and whether to maintain or ease sanctions on South Africa.

Milestone for Africa

The most far-reaching undertaking of the Abuja summit came on the first day, with the formal signing of the treaty for the establishment of an African Economic Community. The treaty sets out a timetable for the phased removal of barriers to intra-African trade, the strengthening of the existing regional economic groupings, and other steps toward African economic cooperation and integration that are expected to culminate in the formation of an Africa-wide monetary union and economic community by the year 2025.

The establishment of the African Economic Community is "the most critical issue of our time for Africa," emphasized the out-going OAU Chairman, Ugandan President Yoweri Museveni. His point was reinforced by the new OAU Chairman, Nigerian President Ibrahim Babangida, who called the signing of the treaty a "milestone in Africa's quest for continental economic integration" and pledged to speed its implementation. The treaty will officially come into force 30 days after its ratification by at least two-thirds of the OAU's member states.

To ensure that this and other African economic initiatives have a chance of success, speakers pointed to the need for a supportive international economic environment. Referring to the final review of the UN Programme of Action for African Economic Recovery and Development (UN-PAAERD), President Museveni stressed that it was imperative that a medium-term successor arrangement was agreed.

UN Secretary-General Javier Pérez de Cuéllar and then World Bank President Barber Conable, in addressing the summit, both drew attention to Africa's need for higher levels of financial resources and debt relief.

Although the Abuja summit had initially been intended to focus largely on economic matters, the discussions soon encompassed such vital issues as security and democracy.

For Africa to be able to pull itself out of crisis, OAU Secretary-General Salim Salim told the summit, "we need peace and stability." And in order to establish a climate of peace, he said, "we have to seriously focus on the conflicts that now sow death and misery in some of our countries and wreak havoc on our economies. We should also strive to build democratic institutions that are solid and able to sustain the socio-economic development of our continent."

President Babangida noted that "popular upheavals which have threatened the stability of many of our countries" have prompted African leaders to study the linkages among security, stability and development. Stability, he said, "dictates new modes of social relationships which cannot be found in dictatorships." Particular concern was expressed about the proliferation of armed conflicts on the continent.

Kampala initiative

The discussions on peace and security were also given an impetus by the holding, several weeks earlier, of a high-level meeting organized by the African Leadership Forum in Kampala, Uganda. The meeting's final declaration proposed the establishment of more effective mechanisms for peace-keeping, conflict resolution and defense of basic human rights in Africa. President Museveni introduced the Kampala Declaration to the summit, which saluted it as an important initiative. The summit decided that a decision on the Kampala Declaration and related proposals would be taken at the OAU's next Council of Ministers in February 1992, after member states had a chance to study the question more fully.

Meanwhile, the Kampala initiative has also generated some interest outside the continent. A US Congressional hearing was held on 30 July at which Representative Mervyn Dymally and Assistant Secretary of State for African Affairs Herman Cohen welcomed the Kampala proposals.

The summit, turning to the question of South Africa, debated whether the government's reforms had been sufficient to warrant easing sanctions on that country. Judging that they had not been, the summit urged "the maintenance of sanctions and other forms of pressure until apartheid is eradicated."

OAU Secretary-General Salim Salim: 'We need peace and stability.'

While directed at the international community generally, this appeal also specifically addressed OAU member states. "It is no secret any more," observed Mr. Salim, "that a growing number of African countries are pursuing relations in one form or another with South Africa."

A 29 July meeting of the OAU Ad Hoc Committee of Heads of State on Southern Africa, also held in Abuja, reiterated the OAU's view that sanctions were still needed. It also urged the European countries, the US and Japan to do more to persuade Pretoria to move rapidly towards a democratic South Africa.

African candidates

The following day, another ad hoc committee of heads of state, set up by the summit, finalized the OAU's list of proposed candidates for the post of the next UN Secretary-General. They were: Boutros Ghali of Egypt, Bernard Chidzero of Zimbabwe, Kenneth Dadzie of Ghana, James Jonah of Sierra Leone, Owono Nguema of Gabon, and Olusegun Obasanjo of Nigeria. Stressing that all six are "eminently qualified" for the post, the committee appealed to the international community to give an African the opportunity to serve in this highest position in the UN. ■

North Africa seeks new EC deal

The countries of North Africa are facing profound developmental challenges, not least in their relations with the European Community. Traditionally close economic ties have already been affected by the accession of Spain and Portugal to the EC. Now slowing economic growth in the Community is hitting demand for their goods and narrowing access to its vital labour market. The EC's push for economic unity is further threatening North Africa's most important sources of income. Most North African countries are undertaking far-reaching reforms. The EC is promising to support them with increased finance and trade concessions, but the extent of this help still remains uncertain, as other calls, not least from Eastern Europe, threaten to divert EC attention and resources elsewhere.

By Alan Mackie

Dramatic images in the European media earlier this year of rioting by migrants in some European cities has highlighted the intimate relations between the countries of North Africa and their counterparts across the Mediterranean. The disturbances involving migrants in Brussels, Paris and Rome reflected anger among the immigrant community — some 6 million or two-thirds of which are from North Africa — that it was being made to bear the brunt of the economic and social pressures arising from the slowdown in most European economies. The shift of the immigration debate — often with racial overtones — to the centre of the political arena in some European Community (EC) countries has contributed to this anger.

The disturbances came against the background of profound changes in the long-standing relations between the two regions. From North Africa — comprising Algeria, Egypt, Libya, Morocco and Tunisia — flows a stream of people in search of work, as well as the oil and gas that dominates exports to the EC. In the other direction flow manufactured products, capital and tourists. Over 60 per cent of North African exports go to the EC and 50 per cent of their imports come from there, making the region the EC's third largest customer and fourth largest supplier. Oil and gas exports are particularly important, with Algeria potentially capable of becoming the community's largest supplier of natural gas.

This complex relationship has become more volatile. The EC's programme for greater economic unification, which includes tighter immigration rules and full mobility of labour between the 12 member states, is threatening to choke off North Africa's labour safety valve. For countries like Morocco and Tunisia, migration has been important not only for easing acute employment problems, but also as a revenue source, with migrant worker remittances equal to 20 per cent or more of exports.

Efforts to reform the EC's costly and protectionist Common Agricultural Policy (CAP) offer the prospect of bigger markets for North Africa's own farm outputs, although existing trade barriers constrain such income earning opportunities. Finally, the widespread popular sympathy for Iraq in virtually all of the North African countries during the Gulf War has added a sharp twist to political relations, moulded by the colonial experience and which the rise of Islamic fundamentalism was already making more complex.

Both sides have been trying to develop a new relation-

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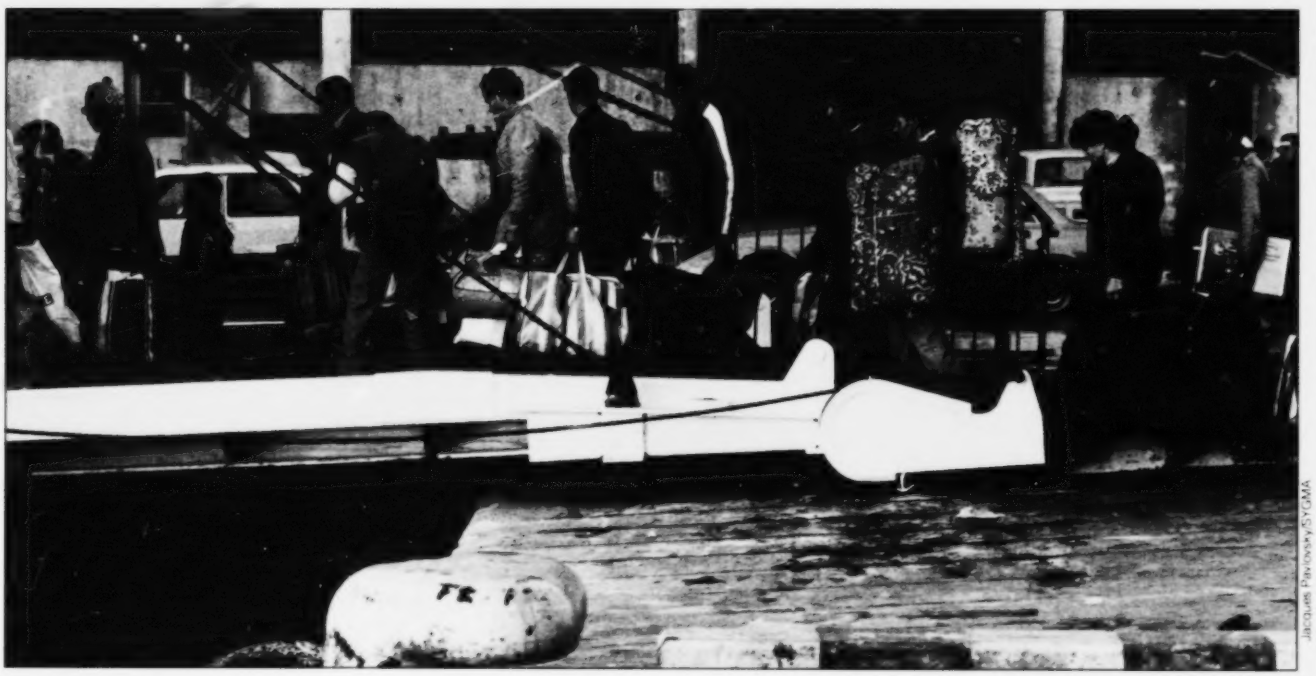


Jacques Pavlovsky/SYGMA

Going back. Algerian workers on their way home from France.

ship, but actions so far taken by the EC in the form of more money and greater trading opportunities are unlikely to promote the faster and more diversified growth North African countries are seeking. For both regions, the dynamic continues to be the widening disparity in wealth between them. While Egypt, Morocco and Tunisia managed to keep growth ahead of population increase for much of the 1980s, all North Africa apart from Libya, which has the highest per capita income, faces acute problems in creating jobs for a rapidly growing labour force.

Recent years, with the fall in oil prices, have been tough for North Africa's economies. Egypt's growth rate since 1988 for example, has been below 2 per cent a year, compared with a near 8 per cent average in 1980-85. Per capita incomes have now fallen to $ 678 and the country has become eligible for soft loans from the International Development Association (IDA).

Current adjustment policies, at least in the short-term, are expected to worsen rather than ease labour problems in North Africa at a time when political change, including the rise of Islamic fundamentalism, is complicating the reform process in some countries.

North African countries are expected to virtually double their present 115 million population by 2025, despite a slowdown in the rate of increase. The EC's Development Commissioner, Mr. Abel Matutes, claimed recently that it will require double digit economic growth in the region to create enough jobs, a target that looks unattainable whatever the success of current economic reform programmes.

Through much of the region, unemployment is estimated at 15-25 per cent, and is higher still among college and school leavers. Egypt's problem has been aggravated by some 500,000 workers returning from the Gulf. Current adjustment policies, at least in the short-term, are expected to worsen rather than ease the labour problem, at a time when political change is already complicating the reform process in some countries.

Falling or stagnant birth rates indicate labour shortages in the EC into the new century, but economic growth will not be sufficient to absorb North African job-seekers if economic growth rates there do not accelerate. On current trends, one Spanish official estimated a total of 25 million North African immigrants in the EC by 2025. North African workers will also face increased competition in Europe from Eastern European migrants. Already, unified Germany has chronic unemployment in the former Democratic Republic.

For now, the EC is more concerned about stemming — or even reversing — the tide of migrant job-seekers and is tightening its controls, particularly against illegal immigrants, already numbering more than 2 million, 800,000 of them from North Africa, according to some estimates. The first step has been for the relatively liberal regimes of Italy and Spain to introduce visas for North African immigrants.

King Hassan II of Morocco hosted a state visit from Spain's King Juan Carlos earlier this year.

Acutely conscious of the impact of developments in the EC, North African states have taken action to promote regional economic ties through the Union of the Arab Maghreb (UAM), formed in 1989, between Algeria, Libya, Mauritania, Morocco and Tunisia. At present, intra-regional trade is minuscule — between 2-3 per cent of the total — and some pragmatic steps to improve trading links have already been taken.

One expression of efforts to forge a new relationship with the EC came from Tunisia's President Zine el-Abidine Ben Ali, who has specifically linked EC concern over immigration to North Africa's development needs by suggesting the establishment of a special fund to finance employment-generating projects in North Africa. Finance could come from converting debt obligations into local currency development projects. Tunisian officials have suggested. Algeria, however, is going to great lengths to avoid any debt rescheduling in order to safeguard future flows, particularly export credits from Japan.

The mechanisms suggested by Tunisian officials have not been taken up by the EC, but there is agreement on the link between increased financing for development and lower immigration. Already the EC's new 1991-95 finance and trade agreement with Mediterranean non-Community countries is nearly three times higher than the previous one. This Fourth Financial Protocol, as it is known, covers eight countries, excluding Libya but including Israel, and of the total funding available — some $2.8 bn — half is earmarked for Algeria, Morocco and Tunisia.

In addition, the Maghreb states are expected to take first bite of a novel $2.4 bn fund the EC has introduced to promote regional environmental protection, infrastructure and development projects. Protocol countries can also tap into a special $360 mn fund for structural adjustment.

While not taking the lead, EC countries have also figured prominently in the recent debt relief granted to Egypt. A July Consultative group meeting, with EC state participation, pledged $8 bn in assistance over the next two years, some $500 mn more than was expected. This came on top of the ground-breaking commitment made by Western creditors in May to cancel half of Egypt's official bilateral debt in return for a wide-ranging adjustment programme (see page 10).

Egypt is by far the largest recipient of aid in the region, though EC members provide less than 30 per cent of its net

READEX FICHE

UN/DPI photo

Algerian Prime Minister Sid Ahmed Ghozali is overseeing fundamental economic changes.

flows. With less than 40 per cent of its trade with the EC, the vast majority of its migrant workers traditionally going to the Gulf, and the United States and the Middle East by far the largest source of funds, Egypt's links to the EC, while still important, are far less intense than those of the Maghreb.

For Morocco, however, the EC provides nearly 60 per cent of net aid receipts, and the country is the third largest recipient of French aid. The EC accounts for some 58 per cent of Tunisia's concessional aid, though for both Tunisia and Algeria other financial flows such as export credits are more important. And here the EC is less important, with its share of total official flows some 28 and 23 per cent respectively in 1989.

France is trying to increase both concessional and market-related funding for Algeria. But the EC is divided over finance priorities for North Africa. French prompting has secured an agreement in principle for a $560 mn credit loan for Algeria, to help back its economic liberalization programme. But finalization of the credit is reportedly being resisted by other EC members who consider the amount to be too high. Italy has also shown its concern to mobilize more resources for the region. Traditionally an important source of funds for Tunisia, it has recently offered a $7.2 bn credit line to Algeria. And Spain is demonstrating its interest in the region through official visits culminating in the state visit of King Juan Carlos to Morocco earlier this year.

It is these three southern members of the EC who have taken the lead in strengthening ties with North Africa, with some emphasis on the political dimension to relations. In October 1990, their foreign ministers, joined by those from Malta and Portugal, met with their UAM counterparts to discuss common security problems, including the issue of immigration. The anti-Western demonstrations in many North African cities during the Gulf war, and the growing influence of Islamic fundamentalism in the region, has only deepened the interest of southern EC countries in helping to stabilize the North African region. But talk of a common security pact, along the lines of the Conference on Security and Cooperation in Europe — the Helsinki accord — has so far met with a cool response from northern EC members who favour a more detached relationship.

Importance of private flows

While official financial flows have been increased, they still represent a drop in the ocean of what will be required if the North African economies are to significantly accelerate their rate of growth. Both sides are recognizing the impor-

Ground-breaking deals on debt for Egypt

Egypt's financial position for the immediate future has been transformed following moves by international donors to halve its official debt and boost aid flows. At a 24 May ground-breaking meeting of the Paris Club, official bilateral creditors agreed to cut Egypt's debt to them by some $10 bn over the next three years. This was followed, at a 8-9 July meeting of the World Bank's consultative group, with pledges of aid totalling $8 bn for 1991-92, more than double the amount reportedly sought by Deputy Prime Minister and Planning Minister Kamal el-Ganzouri, who led the Egyptian delegation.

The Paris Club deal, following on the heels of a similar arrangement for Poland, will provide far deeper debt relief than previously offered, even for low-income countries eligible for Toronto terms. These can include cancellation of one-third of a country's official bilateral debt. Creditors, with effect from July, have cut Egypt's debt by 15 per cent. A further cut of 15 per cent will be made within 18 months; and a further cut of 20 per cent by July 1994.

The phasing will enable creditors to link the scale of relief to continued performance on the reform package that Egypt has agreed with the International Monetary Fund (IMF) and the World Bank. In addition, the United States has cancelled some $7 bn in military debt — it has rescheduled $5 bn of development and export credit debt over 30 and 14 years respectively — and the Gulf States a further $6 bn. All in all, agreements reached so far this year will reduce Egypt's debt by $23 bn, from over $50 bn estimated for mid-1990, to some $23-25 bn.

"Interest payments will be lower, repayment periods will be longer, and the country will have more resources available to finance investments," Mr. Ram Chopra, director of the World Bank's Middle East department is quoted as saying. The Paris Club deal also includes a 30 per cent reduction in interest payments on remaining non-concessional official debts. Egypt's debt servicing totalled close to $3 bn in 1989, half of it in the form of interest payments. However, with the slowing of economic growth in the second half of the 1980s, arrears in interest payments have accumulated, totalling $11.4 bn by mid-1990, the IMF estimates.

The Paris Club deal followed agreement with the IMF on an economic reform package, which includes moving to a single exchange rate, introduction of a sales tax and a halving of the budget deficit, from 21 per cent of gross domestic product in 1990-91 to 9 per

tance of private flows. The record of foreign direct investment into the region has been mixed in recent years. Morocco, and more lately Egypt, have shown modest expansion, which both hope to accelerate through privatization and other economic reforms. Libya's investment inflow remains very low, but Tunisia hopes economic reforms will reverse its recent slowdown in investment, which has been mainly in the oil and tourism sector. Algeria also hopes to reverse the sharp fall-off in inflows it has suffered during the 1980s. Recent decrees will widen the areas in which joint ventures will be permitted. The government is now actively looking for foreign investment in the all-important oil and gas sectors. Already, French and Italian car firms have signed or at least initialled agreements to establish assembly lines in the country. The European Investment Bank has also set up a company to help finance joint-ventures.

Regional diversification

New oil and gas supply deals with a number of EC countries have confirmed the importance of these sectors to future relations. But North Africa's development is dependent upon diversifying the region's economic basis. Of particular long-term significance are possible EC concessions on market access for non-fuel exports, particularly in the agricultural sector. Recent studies quoted by the World Bank show that the countries of the region are among those most likely to benefit from the agricultural liberalization currently under debate in the Uruguay Round of trade talks being held under the auspices of the Generalized System of Tariffs and Trade (GATT), finalization of which continues to prove elusive. Algeria's agricultural exports could increase by nearly 30 per cent under liberalization, for example, one study shows, with those of Tunisia also growing by over 20 per cent.

North Africa: selected economic indicators

	Algeria	Egypt	Libya	Morocco	Tunisia
Population (1990, millions)	25	52.4	4.5	25.1	8.2
Pop. growth rate (1985-90, %)	2.9	2.2	3.6	2.4	2.4
GDP per capita (1990, $)	2,145	678	6,674	983	1,495
GDP growth rate (1986-90, %)	0.7	2.7	0.4	4.3	3.5
External debt (1989, $bn)	26.1	48.8	5.4	20.8	6.9
Debt service ratio (1989, %)	68.9	21.8	4.7	32.2	22.5
Merchandise exports (1989, $mn)	8,600	2,565	6,760	3,337	2,932
Main export and % share (1986-88)	fuel, 96	fuel, 46	fuel, 97	manu., 46	manu., 66
EC share of exports (1989, %)	61.5	34.6	80.3	55.9	73.3
EC share of imports (1989, %)	62.2	37.8	59.6	54.5	67.4
Net worker remit/exports (1989, %)	4.1	165.8	-7.3	39.7	16.4

Source: Africa Recovery from UN, ECA, World Bank and IMF data

The start to dismantling trade barriers is helping to soften the image of "fortress Europe" as far as North Africa is concerned. Yet profound fears remain over the implications for the region of the EC single market in 1993. Steps taken so far by the EC to increase aid and trade have still to make up for the loss of markets, at least for the Maghreb countries, resulting from the accession of Spain and Portugal to the EC, many of whose agricultural products compete with those from North Africa.

Small concessions have already been made. Quotas on food imports are being raised by 3-5 per cent from March this year. This will help Morocco's citrus fruit industry, but is unlikely to reverse the damage done to Tunisia's olive oil sector which competes with that of Spain in particular. Tunisia's quota into the EC of 46,000 tonnes is far short of its export potential. After a large olive crop this year, some 40,000 tonnes will have to be stockpiled. EC quotas on industrial imports, including textiles — already 20-30 per cent of the exports of Egypt, Morocco and Tunisia — are also to be progressively dismantled, though again the gains depend in part on progress in the Uruguay Round.

Aid and other official flows still remain the most immediate and tangible expression of commitment and priority. Despite recent increases, EC aid to the Maghreb region for example, in per capita terms, is still only about one-third of that on offer to Eastern Europe. The North African community in the EC will continue to represent both a symbol of the closeness of ties between the two regions and an expression of the development challenges facing their homelands.

While North African countries know the scale of that challenge, what remains uncertain is the extent of EC support for their efforts, as those in the community concerned with the needs of their southern neighbours vie with those whose increasing preoccupation is with their neighbours to the east for the limited capital likely to be available. ■

cent for 1991-92. An 18-month, $372 mn stand-by credit was signed with the IMF on 17 May.

On 21 June, the World Bank approved a series of grants and loans totalling $524 mn. This includes a $300 mn structural adjustment loan, linked to reform of the public sector, including widespread privatization, and $84 mn to develop natural gas. In addition, the Bank committed $140 mn towards a $572 mn Social Fund which, by financing small, labour-intensive public works projects, will attempt to defray some of the costs of adjustment, as well as some of the impact of the Gulf crisis on Egypt's large migrant worker community.

Fourteen other countries and agencies are contributing to the Social Fund. In addition, some $100-140 mn of the pledges made at the July consultative group meeting were designed to assist the government in raising social security payments and unemployment compensation.

Part of the Bank funding will come from its concessional International Development Association (IDA), from which Egypt has not borrowed for a number of years. The fall in its per capita income, to under $700, has made it again eligible for IDA.

TRIBUTE TO ECA'S RETIRING EXECUTIVE SECRETARY

Adedeji's passion for Africa's future

By Stephen Lewis

It is impossible to imagine what the UN Programme of Action for African Economic Recovery and Development (UNPAAERD) would have been without Adebayo Adedeji. Whatever the sense of frustration which some may feel about the ultimate achievement of the Programme, almost everything that is positive can be attributed directly to Professor Adedeji's leadership.

For those of us who watched the process unfold, from beginning to end, through interminable meetings, conferences, consultations, travels, press briefings and persistent visceral debate, there can be no question of Adebayo Adedeji's role.

Two aspects, in my mind, stand out above all others. First, his commanding mastery of everything to do with Africa. I suppose it can be argued that his expertise is only to be expected. After all, Professor Adedeji had 16 years as head of the Economic Commission for Africa, a total immersion in the UN system, a ministerial career in Nigeria, a distinguished academic tenure ... the list of accomplishments is lengthy and profoundly impressive.

Uncompromising vision

But I'm speaking of much more than the sum of the parts. What emerged consistently, throughout the five years, was an encyclopaedic knowledge of every conceivable detail of Africa's political economy. Whether at the UN Steering Committee on Africa, or the Inter-Agency Task Force, the ECA Council of Ministers, or North South Round Tables, expert gatherings around the world, or the major Conferences in Abuja, Khartoum and Arusha, Adedeji had no equal in debate. A lifetime commitment to the issues allowed him, on every occasion, to inform, to elaborate, to meet the arguments head on in a way which was unanswerable.

Second, his uncompromising vision for the future of Africa. It is no secret that one of the most awkward episodes during the UNPAAERD process involved the clash of opinion between views held primarily by the World Bank and IMF on the one hand, and a competing view advanced primarily by the ECA on the other. Under normal UN circumstances, the ECA would have been expected gracefully to capitulate to the international financial institutions in order to avoid the inevitable international controversy.

Broadening the debate

But that's not what happened. Instead, Professor Adedeji persevered in formulating an alternative framework for long-term structural transformation of African economies as a fundamental variation on the orthodoxy of short-term structural adjustment. "AAF-SAP," as it is known, has gained increasing credibility in the language and practice of African economic development, in much the same way as UNICEF's Adjustment with a Human Face entered the lexicon of development imperatives.

The African Alternative Framework for long-term structural transformation of African economies, a fundamental variation on the orthodoxy of short-term structural adjustment, has gained increasing credibility in the language and practice of African economic development, in much the same way as UNICEF's Adjustment with a Human Face entered the lexicon of development imperatives.

The point to all this is that the combination of Adedeji's analytic prowess, and the provision of an intellectual context, broadened the debate about Africa's future in a way which is now irreversible. It is hard to imagine anyone else who could have fashioned such a result in the face of such determined opposition.

If this short article is a glowing tribute to Professor Adedeji's contribution to the struggle for African growth, development and survival during the UNPAAERD period, I make no apologies. I've waited a long time to say it.

There lives in my mind, and the minds of many others, a number of characteristic Adedeji moments: his remarkably bold speech on democratic development at the close of the Arusha conference on Popular Participation; his bracing intervention on net outflow of resources and the strangling consequences of debt, delivered during the Maastricht conference which launched the Global Coalition for Africa; his precedent-setting decision to include NGO representatives in all the internal UN meetings on UNPAAERD; his prodigious — almost supernatural — capacity for work. Who else could summon the patience, energy and astonishing attention to detail in the endless drafting of reports, or the chairing of meetings, or the search for consensus among widely disparate groups and opinions?

Clyde Sanger

Adebayo Adedeji: set precedent by including NGOs in UN meetings.

Commitment to resolve Africa's crisis

Collaborating with Adebayo Adedeji was an extraordinary experience. His whole persona comes alive when he speaks, feelingly, of Africa; it stimulates everyone around him; conviction and animation are unleashed in equal measure, and just when you feel the tensions perilously rising, his voluble laugh bursts forth in a catharsis of reconciliation. Adedeji's great strength lies in his unswerving determination to resolve the African crisis. Nothing distracts him. As a result, his contribution to Africa gives meaning and definition to internationalism.

Now he's gone from the ECA. It's an enormous loss for the United Nations system. But one can only assume that his next career in Nigeria, whatever that may be, will continue to reflect the consuming passion of his life: Africa. ■

Stephen Lewis is the UN Secretary-General's Special Adviser on Africa, and chaired the 1986 UN Special Session on Africa.

Articles written by Salim Lone, Roy Laishley, Nii K. Bentsi-Enchill

African efforts need much stronger global support: Secretary-General

The international community must substantially increase its support for Africa's efforts to revive its economies, or the continent will sink deeper into "an unrelenting crisis of tragic proportions," UN Secretary-General Javier Pérez de Cuéllar warns in his report on the UN Programme of Action for African Economic Recovery and Development (UNPAAERD). Asserting that "overcoming this crisis represents the greatest development challenge of our time," the Secretary-General urges that a new global compact for cooperation and development in the 1990s be urgently forged by Africa and the international community.

Such a compact would include the pursuit by Africa of sustained, human-centered development strategies required for the "structural transformation" of African economies, which alone can eliminate the poverty that grips the majority of the continent's people. To be meaningful, the compact must include identifiable goals and targets, says the Secretary-General. A principal target would be the doubling, by the year 2015, of Africa's current per capita income. Even then, this annual income would still only be some $700 in sub-Saharan Africa.

To achieve these goals, the Secretary-General says that African countries must continue to carry out their far-reaching actions and reforms. But "since even the fullest possible reforms and restructuring of African economies cannot generate the resources required" for sustained African development, the Secretary-General proposes that:

- **Development assistance reach $30 bn by 1992 - compared to $21 bn in 1989 - and grow by 4 per cent a year until the year 2000.**
- **Bold action be taken to substantially reduce the continent's crippling external debt burden of $270 bn, which is estimated to have cost Africa at least $23 bn in 1990 to service.**
- **Concerted efforts be made to improve elements of the global economic environment which inhibit African recovery, particularly efforts at increasing incomes from exports and diversification of African economies.**

Such support for African efforts would help achieve the 6 per cent annual growth in gross domestic product (GDP) that is required for doubling incomes by 2015. While this growth target may seem ambitious, it is no more than the average achieved throughout sub-Saharan Africa (except for Nigeria) between 1965 and 1973 and achieved by many individual countries since. Such a growth rate would permit an increase in consumption of about 3 per cent a year, providing that stronger population policies were also implemented.

In order to reverse the decline in per capita incomes suffered by much of Africa in recent years, the report argues, a renewed compact between African countries and their development partners in the 1990s must achieve three essential goals throughout the continent: sustainable development, that includes measures to halt environmental degradation; human development, through productive employment and rapid progress towards specific goals in areas such as life expectancy, women's development, child and maternal mortality, nutrition, basic education and shelter; transformation and diversification of African

World Bank

Boosting food production is a priority of African efforts to transform their economies.

economies, to strengthen them within the world economy, while enhancing self-reliance.

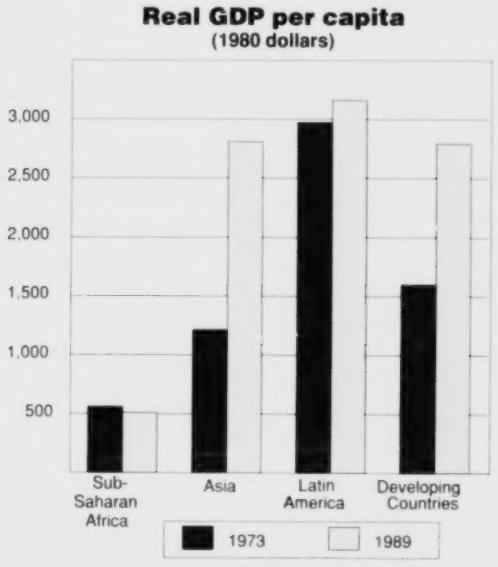
The outcome of the 1986-90 UN Programme was clearly "unsatisfactory," says the Secretary-General's report, even though the great majority of African countries undertook a broad range of courageous initiatives as envisaged in the programme. But these "efforts were particularly undermined by an unfavourable external environment, which was reflected in the much reduced export prices and earnings while the prices of imports continued to increase." The fall in commodity prices alone cost Africa $19 bn in 1986, and $50 bn over the UNPAAERD period.

Similarly, the increased resources that the international community agreed in 1986 were needed to ensure the success of African efforts did not materialize. Some donors substantially increased their support for the continent, but overall, real net resource flows to the continent actually fell, from $24.6 bn in 1986 to $23.3 bn in 1990 (1986 dollars). The combination of debt service, increased import costs, capital flight and, in particular, falling commodity prices, meant that Africa could not mobilize the additional $80 bn in domestic resources that was anticipated under UNPAAERD.

A global compact must be forged which would support Africa's commitment to the structural transformation of its economies. Only such a transformation would end poverty's grip on the continent.

The report also asserts that the programme's goal of moving towards the structural transformation of African economies did not occur partly because of the preoccupation with short-term stabilization measures that lay at the heart of the donor-supported structural adjustment programmes most countries were pursuing. "The objectives of these programmes often overlapped with those of UNPAAERD," the report says, "but the short-term implications of their policy prescriptions often conflicted with the long-term objectives of UNPAAERD." For example, the drive to diversify African economies became secondary to the need to immediately increase foreign exchange earnings through the expansion of traditional exports.

The Africa Recovery Programme, unique in UN history for its focus on just one world region, was adopted at a Special Session of the General Assembly in 1986. It was called to find ways for the continent, already the world's poorest, to overcome an economic crisis of unprecedented severity. But "despite Africa's broad range of initiatives and notable progress towards democratization," says the Secretary-General's report, "economic and social conditions actually worsened during the five years of the UNPAAERD period."



Ineffective policies

Africa's economic output in the five years, measured by its GDP, grew on average by 2.3 per cent in real terms. This reflected an improvement in the rate of growth for most countries over the first half of the decade, but meant that in per capita terms, GDP fell by an average 0.7 per cent a year during 1986-90. "The average African continued to get poorer and to suffer a persistent fall in an already meagre standard of living," says the report.

The "lack of dynamism" of African economies and their "susceptibility to internal and external shocks, political instability, military conflicts, weak institutions and, often, less than effective policies to mobilize domestic resources continued to be both cause and consequence of the poor economic performance of most countries," the report argues.

Eastern and southern Africa had the highest growth rates during UNPAAERD —averaging 3.2 per cent — but still generally below the rate of population increase, while growth in central Africa averaged a mere 0.5 per cent between 1986-90. Agricultural output rose steadily in most years, but also failed to keep pace with population growth. As a result, Africa's food self-sufficiency ratio continued its steady decline during the UNPAAERD period. Famine also continued to blight parts of the continent during UNPAAERD, and was in some countries as acute in 1990-91 as in 1984-85.

Resources for African development were further diminished by capital flight from the continent, which may have totalled $30 bn during UNPAAERD, but most particularly by plummeting commodity prices, on which Africa continues to depend for 70 per cent or more of its export earnings. In addition to the $50 bn so lost, earnings

alsocontinuedtobeconstrictedbyprotectionisminmany industrial country markets. Finally, Africa's increased volume of exports failed to keep pace with the increases in exports from competing countries, resulting in the continent's share of the global market for most of its traditional products falling.

With the cost of imports continuing to rise, the UN-PAAERD years saw a marked deterioration in Africa's terms of trade. The purchasing power of exports fell sharply, averaging about 54 per cent during 1986-90, compared with 76 per cent in 1981-85 (using 1980 as 100 per cent). No other region of the world experienced such a catastrophic loss.

This decline in the resources from trade was compounded by the failure of the international community, as a whole, to provide the additional $9 bn a year envisaged in 1986. Increased flows from some donors and new initiatives by multilateral institutions, such as the World Bank, and the UN itself, did not significantly offset declines elsewhere.

The fall in real net resources was partly due to the drop in some private flows, particularly commercial bank lending, and the drying up of export credits during the 1980s.

But even official development finance, some 80 per cent of net flows to Africa, barely rose in real terms, from $16.2 bn in 1986 to $16.9 bn in 1989, the latest year available. This is despite new initiatives undertaken by the African Development Bank, International Monetary Fund and World Bank to increase concessional resources to Africa, through facilities such as the African Development Fund, the Enhanced Structural Adjustment Facility, the International Development Association and the Special Programme of Assistance for Africa.

Some of this effort was diluted by repayments to the institutions themselves. Net disbursements by the World Bank to Africa totalling $7.6 bn between 1986-89, amounted to actual net transfers of $4.9 bn due to repayments of interest and other charges. In the case of the IMF, such charges meant that for all but one year during UNPAAERD, African countries paid back more to the IMF than they received: for sub-Saharan Africa this outflow averaged $676 mn a year. Africa's debt problems, like its commodity concerns, were not dealt with adequately during the UNPAAERD period.

Social consequences

Despite efforts at economic reform, "human conditions worsened considerably during the UNPAAERD period," the report says. Continued economic crisis, and in some cases austerity measures induced by structural adjustment programmes, resulted in declines in education, health, nutrition, employment and incomes. "The percentage of total government expenditure devoted to health in 1985 was nearly 6 per cent and to education, 15 per cent. By 1990, the share of health and education in total government expenditure had declined to 5 and 11 per cent respectively," the report says.

UN/Milton Grant

But can he find work to feed me? Creating productive employment is another priority.

Literacy rates increased, but the number of illiterates rose. Primary school enrolment rates fell — from 77 per cent in 1980 to 70 per cent in 1990. Cuts in health spending slowed progress in reducing infant and maternal mortality rates — both the highest in the world — and, compounded by natural disasters, led to growing numbers of severely undernourished people, particularly among children. Still, remarkable progress has been made in some areas. By 1990, 22 African countries had achieved the target, set in 1986, of immunizing 75 per cent of children against polio, measles, whooping cough, tetanus, and diphtheria.

The impact of the economic crisis and many of the policies intended to counter it was particularly severe on wage earners. On average, real wages declined by over 30 per cent in the 1980s, and the level of real public sector wages declined by more than half, according to a World Bank/UN Development Programme (UNDP) study. This had serious consequences for productivity and motivation. Open unemployment also grew, at an average of 10 per cent a year between 1986-90. Laid-off workers were driven in large numbers to the often riskier and less remunerative informal sector.

However, recent developments indicate that renewed common action to revive economic and social progress in Africa is possible, says the Secretary-General. Most African countries are determinedly pursuing tough recovery programmes, resulting in improved economic management, which in some countries led to the halting, and sometimes the reversal, of the decline in economic and social conditions.

"Africa does not lack strategies or policy frameworks

for the challenges that confront it," says the Secretary-General, pointing in particular to the Lagos Plan of Action, the African Alternative Framework to Structural Adjustment Programmes for Socio-Economic Recovery and Transformation, and the African Charter for Popular Participation in Development and Transformation.

There is also growing consensus between Africa and the donors on previously divisive policy issues. It is now agreed, for example, that structural adjustment must give more emphasis to the longer-term, human-centered transformation needed in Africa. And the substantial debt cancellations agreed for Egypt and Poland by the creditor countries reflect the recognition that "it is essential not only to reschedule but to reduce the stock of debt."

Reducing the debt burden

Debt reduction must be a major priority, says the Secretary-General. "It is simply not possible for African countries to develop with their current debt burden exceeding $270 bn." The $23 bn consumed by debt servicing in 1990 was still only about 60 per cent of the debt service due. The balance was accounted for largely by reschedulings, which merely postpone and often increase the payments due, and by the build-up of arrears, which are now 20 to 30 times what they were 10 years ago in Africa.

One reason for the unsatisfactory performance of African economies was the preoccupation with short-term stabilization measures that lay at the heart of structural adjustment programmes.

Africa's stock of debt rose from $203.7 bn in 1986 to $271.7 bn in 1990, representing an increase from 54 per cent of Africa's GDP in 1986 to over 109 per cent in 1990. (The comparable figure for Latin America is 48 per cent). Servicing this debt consumed, on average, over 30 per cent of export earnings which could otherwise have financed development efforts.

Given Africa's particularly disadvantaged position in the world economy, and the insignificant gains so far realized from the 1988 Toronto debt relief measures, the Secretary-General calls for "bolder measures and exceptional treatment" for its debt, and particularly that of sub-Saharan Africa.

Measures should include: cancellation of official bilateral debt, as well as semi-official export credit debts; substantial reduction of debt owed to multilateral institutions, with help from donor countries; and the reduction of private commercial debt, already highly discounted on financial markets, and reduction of the remaining debt through donor-supported initiatives such as equity and environment swaps. These measures must result in sub-Saharan Africa, for example, paying no more than the $9 bn it paid annually during UNPAAERD.

Priorities for the 1990s

To achieve the stated goals for Africa of sustainable, human-centred development and economic transformation in the 1990s, the Secretary-General's report suggests supplementing a renewed global compact with country-specific compacts, where African countries so wish, along the lines of the present Round Tables, organized by UNDP, and Consultative Groups, organized by the World Bank. Consisting of a small core of major donors, these could provide long-term support to specific development goals to which the country commits itself — including steady progress towards some basic human goals and key reforms, through which these can be achieved. Donors would also make commitments on aid flows, debt relief and compensation for commodity earnings shortfalls, backed by efforts to mobilize resources from a larger set of donors.

Such compacts could also be forged at the sub-regional level, to boost Africa's intensifying efforts at regional integration. This is particularly important given the goals of the treaty for the establishment of the African Economic Community which was approved at the Organization of African Unity's summit in June this year.

Under the compact, African countries would pursue their priorities of continued economic reforms, set in a long-term framework, aiming to structurally transform their economies; greatly increased investment in human resources; a coherent and integrated approach to the issues of environment, population and food production; strengthening regional integration and cooperation; and ensuring greater popular participation, improved governance, and the rule of law. For the international community, the compact would involve a commitment to increased resource flows, bolder measures of debt relief and efforts to improve Africa's returns from trade, including support for the establishment of a Diversification Fund for Africa.

To ensure a greater chance of success for a new global compact than occurred in 1986-90, the Secretary-General's report calls for the direct and continuous involvement of governments in its monitoring. To this end, it recommends the establishment of a high-level committee, under the aegis of the UN General Assembly, with equal representation from African and non-African governments, plus a group of eminent persons. The UN must continue to play its central role in providing both substantive and technical support for this process, the Report says.

If a new compact, fully observed and implemented by all parties, is successful, the report says, "Africa could once again take its place as a dynamic and growing part of the world economy, with improving living standards and human welfare." But the report warns that failure would condemn a whole continent to "continue in stagnation and despair, with repercussions for the entire world." ■

Economic diversification a priority for action

Urgent efforts must be made by African countries and the international community to develop and finance a strategy for diversifying African economies away from their chronic dependence on primary commodities. An African Diversification Fund should therefore be set up to provide technical assistance and funding for diversification programmes in the region, says a special study which forms part of the UN Secretary-General's report on UNPAAERD.

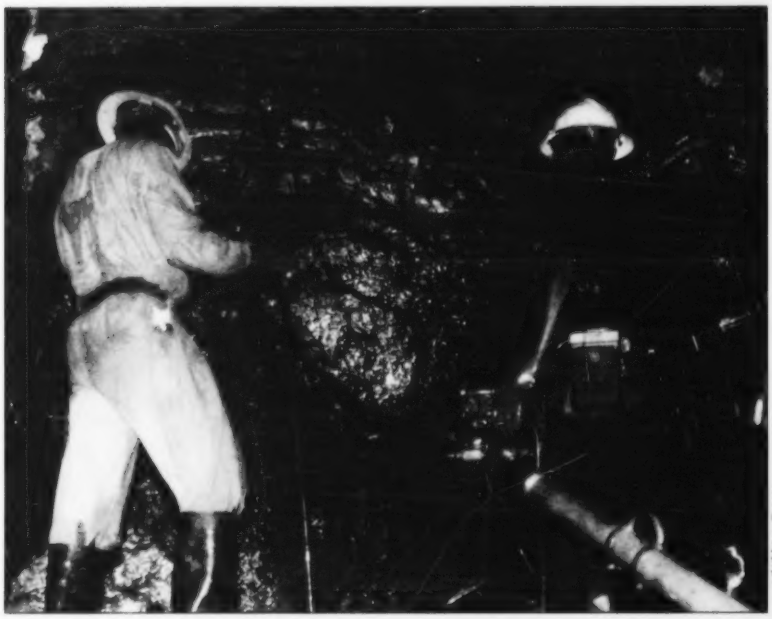
Bleak prospects for most of the commodities exported by Africa makes the task of diversification an urgent one; "additional concerted action by the international community needs to be taken to stimulate the diversification efforts in African countries," says the study, which was prepared at the request of the General Assembly. The study, "Implementation of Diversification in the Commodity Sector in Africa at National, Subregional and Regional Levels with the Support of the International Community," argues that setting up an African Diversification Fund "would be a concrete expression by the international community of a commitment to assist."

The lack of diversification is a result primarily of the structural inadequacies of most African economies and of a lack of resources for investment in new primary exports or more processed goods. But the Secretary-General's study also points out that diversifying into other products, particularly into processed goods, is inhibited by tariff and non-tariff barriers to major markets. Africa's heavy dependence on a narrow range of commodities for the bulk of its export earnings has been a major factor in the continent's unsatisfactory economic performance during the 1980s. The structural adjustment programmes (SAPs) that most African governments are following have not diminished this dependence.

Over half of African countries still depend on just one or two commodities for 70 per cent or more of their export earnings. For another third, such dependence accounts for between 50 and 70 per cent. This dependence continues to be in traditional products, such as coffee, cotton and petroleum, with few African countries managing any significant shift into new products.

Such dependence on traditional products actually worsened during the 1980s, when over 40 African countries saw either little change or an increase in their dependency on one or two commodities. Several countries, including Benin, Burkina Faso, Cameroon, Liberia and Mozambique, even saw a reversal of the reduced commodity dependence they had achieved in the 1970s. This is in sharp contrast to practically all Latin American and Asian developing countries which have considerably reduced their dependence on commodities in recent years.

At the same time, the ability of African countries to influence market conditions for their commodity exports has diminished, as their share of world markets has decreased in practically all cases. "This has left most African economies vulnerable to conditions affecting their major export products over which they have no control," the study points out.



UN/M Grant

With over 90% of its export earnings coming from copper, falling prices have hit Zambia's economy hard.

Food self-sufficiency

Diversification is a core element of development, the study asserts, stimulating structural changes needed for the transformation of commodity-dependent economies and strengthening the linkages between export activities and the domestic economy. "Commodity diversification should in particular be approached in the context of the need to increase food production and food self-sufficiency," it says. "Promotion of intra-regional trade in food products is clearly a priority," it argues. By this means, African countries would stimulate export diversification, while at the same time increasing regional food self-sufficiency.

The study makes a series of recommendations for action at the national, regional and international levels. African governments should include diversification programmes as an important element in their development plans, and include these programmes in their negotiations with donors. Donors themselves, both bilateral and multilateral, should adapt their lending to support these programmes, the study suggests.

As a first step towards a successful diversification strategy, the study calls on African governments, in collaboration with their local private sectors, to elaborate commodity sector strategies. As well as promoting diversification programmes, such strategies should be designed "to recapture the competitiveness for tradition-

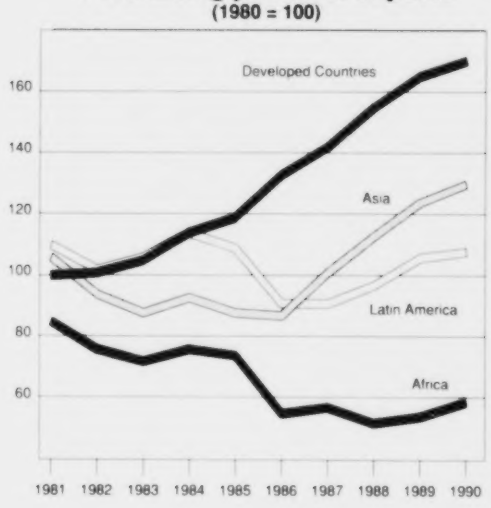
al export commodities" in which African countries have a competitive advantage.

A regional framework is essential for diversification, especially in the area of trade in food products. The initiation, earlier this year, of the African Economic Community provides important momentum for strengthening regional trading linkages, the study says. To this end, it calls on African governments to improve trade information networks on the continent, eliminate tariff and non-tariff barriers and take other measures to facilitate intra-regional trade, including improved payment facilities and transport systems in the region. The study calls for enhanced coordination between African countries in order to promote joint projects and to take advantage of the opportunities provided by joint marketing and other support services for diversification efforts.

The study puts particular stress on the need to develop specific infrastructural support — banking, research services, transport systems, management training — and especially information networks and marketing-related services. Improved access to information on commodity demand, supply and prices, and the nature of external markets is crucial to a successful diversification strategy. Information systems already established, such as The International Trade Centre and those of the UN Food and Agriculture Organization should be fully tapped.

A Diversification Fund could provide an essential focal point to galvanize technical assistance that is required and to provide finance, the study says.

Purchasing power of exports
(1980 = 100)



Financing is vital to a successful diversification strategy. As the main agent of diversification, the private sector, both corporate and non-corporate — farms, households — must have better access to finance. This requires an improved domestic savings rate and therefore the development of a general economic environment which will encourage this, as well as a financial infrastructure which ensures the efficient distribution of resources.

Again, the international community has an important role to play in diversification by providing more technical and financial assistance to develop viable projects. This could be taken to the stage of helping African countries in the negotiation of contracts for investment and marketing.

The study also urges increased efforts by international donors "to provide access by local private entrepreneurs to external concessional and non-concessional sources of finance."

A number of facilities already exist to help develop entrepreneurial skills and to develop small-scale projects in Africa, some involving the UN Development Programme, the African Development Bank and the International Finance Corporation. But given the urgency and magnitude of the task, the study argues that these efforts need to be supplemented by the establishment of an African Diversification Fund.

The Fund could provide "an essential focal point to galvanize technical assistance that is required and to provide finance" for a range of services, such as feasibility studies, the development of information networks and for training in management and marketing. It could also provide loans, concessional and non-concessional, to venture capital companies and national development finance institutions for financing diversification projects.

Finance for such a Fund could come from a number of sources, the study suggests. These include direct and voluntary contributions from donor governments; a tax of half a percent on the consumption of all commodities in developed countries, which, the study argues, would raise considerable sums without adversely affecting consumption; sales of gold by the International Monetary Fund, a proposal already put forward by the UN Secretary-General's Group of Experts on Africa's commodity problems in June 1990; and by borrowings against the capital of the Diversification Fund from international financial markets.

As a first step to establishing such a Fund, a feasibility study should be undertaken and presented in 1992 to the UN/African monitoring group which, it is suggested in the Secretary-General's report on UNPAAERD, should oversee any continuation of an international action programme on Africa. ■

Key issues for Africa's future

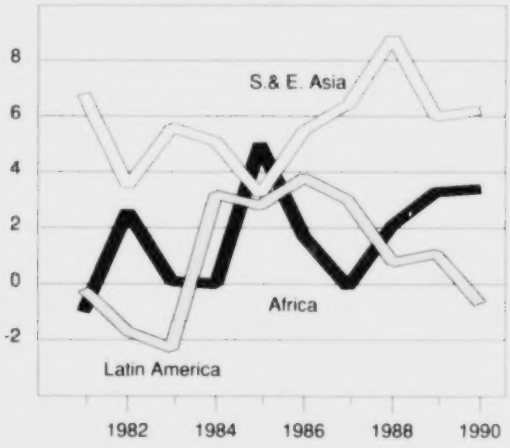
Economic recovery and development in Africa depend primarily on the policies and actions of African countries. But as the Secretary-General says in his report on UNPAAERD, three closely linked international elements — commodity prices, resource flows and external debt — will play a critical role in African efforts at recovery in all sectors of the economy and society.

Africa is heavily dependent on both external resources and imported inputs for growth and development. In 1986-90, there was a steep decline in the major sources of foreign exchange, especially revenue from international trade. In 1986 alone, plummeting commodity prices cost Africa $19 bn in export income, substantially more than the grants and concessional loans it received. And while falling commodity prices cost Africa a total of $50 bn in export revenue between 1986-90, import costs continued to rise. The consequent fall in the purchasing power of Africa's exports was catastrophic.

- **Despite an annual 2.5 per cent increase in export volume, Africa's annual export earnings fell an average 16 per cent during 1986-90, in nominal terms, from $65.2 bn in 1981-85 to $54.8 bn during the UNPAAERD period.**

- **Similarly, imports averaged $62.3 bn a year in 1986-90, down from $69.1 bn in 1981-85, a near-10 per cent average fall in nominal terms. In real terms, the decline in both export income and import volumes was substantially greater. The relatively greater fall in export earnings meant that Africa's trade deficit widened during the UNPAAERD period, from an annual average of $3.9 bn in 1981-85 to $7.5 bn in 1986-90.**

Africa's growth record
(annual % change of real GDP)



Antoine Blanca, who as UN Director-General for Development and International Economic Cooperation chaired the Steering Committee which monitored the implementation of UNPAAERD.

Aid is often seen as the major external stimulus to African development, but official development assistance (ODA) was unable to offset these sharp losses, rising only marginally in real terms between 1986 and 1990. However, debt servicing continued to consume up to $21 bn a year in the UNPAAERD period.

Total net resource flows to Africa fell between 1986 and 1990, from $24.6 bn to $23.3 bn (in 1986 dollars). However, these figures do not tell the full story, since they do not reflect payments of interest, charges and dividends, which lowered the $32 bn of resource flows in 1990 (in current dollars) by some $16.5 bn.

As a result of Africa's increasing external resource difficulties, the fuel, fertilizers, spare parts and other needed inputs for boosting output were in constantly short supply throughout the period or simply non-existent. Despite strenuous efforts, therefore, African economies only grew on average by some 2.3 per cent a year during UNPAAERD. Although a small improvement on the often disastrous 1981-85 period, per capita incomes continued to fall at an annual average rate of 0.7 per cent.

The following pages of *Africa Recovery* look at the three key international factors which have played such an important role in determining Africa's fortunes in recent years — commodities, financial flows, and debt — and outline priority actions for the 1990s. In subsequent pages, we look at the impact of these three key elements on Africa's efforts to reform and make progress in a range of economic and social sectors, including industry, food, children, health, population, and the environment. [An article on African women is on page 46.] ■

COMMODITIES

Between 1986-90, Africa' earnings from international trade — more important, by far, than aid as a source of investment for development — fell to an average of $54.8 bn a year, from $65.2 bn during 1981-85. This decline, much greater in real terms, was a major factor in undermining Africa's own efforts to finance its economic recovery. With the vast majority of export earnings coming from the export of raw materials, it has been the relative fall in commodity prices on world markets which has reduced the continent's access to the resources it needs for development. It is for this reason that African countries are placing a stress on diversification away from such a heavy dependence upon commodities.

No other region of the world is so dependent upon raw materials as Africa. Nine out of 10 African countries depend on primary commodities for 70 per cent or more of their exports. In Latin America only seven out of 10 countries are so dependent and in Asia only five out of 10. The basic nature of most African economies has remained virtually unchanged for the last 30 years. During the 1980s, 25 out of 38 African countries for which data exist actually increased their dependency on commodities or saw little significant change.

The UNPAAERD years witnessed international cooperation on commodity issues fall to its lowest point since the 1960s.

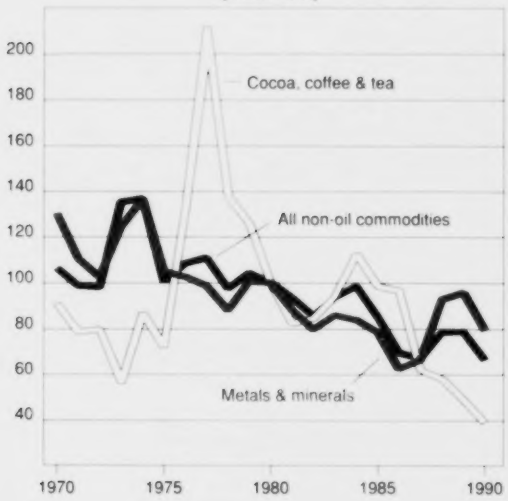
A high dependency on commodities has occurred in a weak or declining market for nearly all of Africa's major raw material exports. According to the International Monetary Fund (IMF), prices for all major commodity groups were lower, in real terms, in 1990 than at the start of the 1980s. While prices of non-fuel commodities during the 1970s, on average, were 10 per cent higher than in 1980, during the last 10 years they have been almost 20 per cent lower. According to the UN, falling commodity prices cost Africa $50 bn in lost export earnings during the UNPAAERD period — equivalent to nearly a year's receipts.

In volume terms, Africa's exports grew by an average 2.5 per cent a year during the UNPAAERD period. But the unit value of these exports fell to only two-thirds of the level that had prevailed in 1980. At the same time, the unit value of Africa's imports increased, compared with 1980. As a result, the purchasing power of a given amount of African exports had fallen by nearly half by 1990.

In some cases, losses from weak commodity markets have been compounded by a fall in Africa's share of the global market for a particular commodity, a trend sometimes worsened by international funding for development of such exports elsewhere in the world. According to the World Bank, Africa's share of primary commodity exports — excluding oil — fell from 7 per cent to below 4 per cent between 1970 and 1985. The fall was particularly acute in cocoa and coffee, where the continent's market share shrank by 33 and 13 per cent respectively.

Prices during the decade varied between commodity groups. Metal prices, generally, increased during the UNPAAERD period, in nominal and real terms, though they failed to reach the levels prevailing in the 1970s. Even then, not all countries have been able to benefit. Despite a nominal 38 per cent rise in average copper prices for 1986-90, compared with 1981-85, both Zaire and Zambia, the continent's largest exporters, suffered sharp falls in the volume of their exports.

Real non-oil commodity prices
(1980=100)



The severest price fall during the 1980s was experienced in cocoa and coffee — between them, a major export of 15 or more African countries. With increasing supplies coming onto the market, prices fell sharply in the second half of the decade. By 1989, cocoa prices were at their lowest level for more than 15 years, and by early 1990 most African coffee prices were at similar low levels. Between 1985 and 1989 African cocoa producers lost over $3 bn, despite a 26 per cent jump in output as prices, in real terms, fell to their lowest levels ever.

African oil producers suffered a similar sharp price fall during the second half of the 1980s. Average prices during the UNPAAERD period were virtually half those prevailing in the previous five years, with devastating consequences for budgets and development plans in many exporting countries.

The UNPAAERD years witnessed international cooperation on commodity issues fall to its lowest point since the 1960s. Much of the severity in the fall of cocoa

and coffee price was the result of the collapse of price stabilizing agreements for the two commodities. With the tin agreement also collapsing, only natural rubber at the end of the UNPAAERD period had an agreement which could actively intervene in the market.

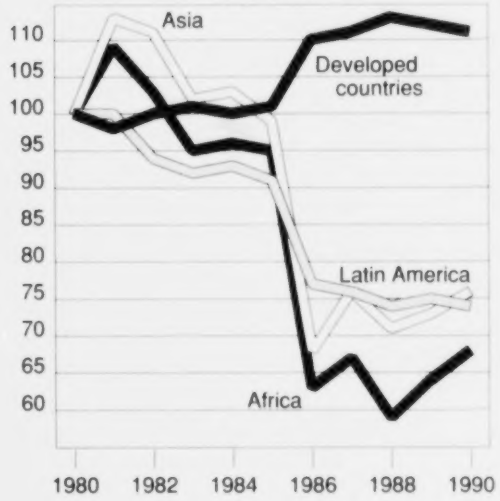
Priorities for the 1990s

Renewed efforts at international cooperation are one clear priority for the 1990s, aiming at improving market intelligence and, where possible, easing sharp fluctuations in prices.

The experience of the 1980s would suggest that these will need to be backed by improved measures to compensate commodity exporters for earnings shortfalls caused by factors outside their control. Existing mechanisms, such as the IMF's compensatory and contingency financing facility (CCFF) and the European Community's Stabex and Sysmin schemes, have proved inadequate, for various reasons, in the face of the severity of Africa's commodity problems. There is a need, therefore, for additional resources for these facilities, as well as changes to the conditions governing their use, which would permit greater access for countries suffering shortfalls in earnings arising from price declines.

Where mutually beneficial agreements between producers and consumers cannot be immediately reached, enhanced cooperation between producers alone would seem an important means by which the deterioration in relative prices and earnings could be stemmed. Regulating supply could stop the gluts that lead to sudden dramatic price falls; joint research and promotional efforts could lead to new and expanded market opportunities.

Terms of trade
(1980=100)



Tea was one of the few commodities for which Africa's market share rose during the 1980s.

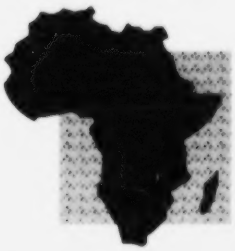
But the major thrust of efforts during the 1990s is likely to be towards reducing Africa's overwhelming dependence on a narrow range of raw materials for its hard currency earnings. Diversification — both into non-traditional commodities and into more valuable processed goods — is a major priority, both for African countries own efforts and in their call for action by the international community.

Some success in diversifying economies has already been recorded. Mauritius, for example, has greatly reduced its dependence on sugar through increasing exports of manufactures. Others have developed horticultural exports or an expanding fisheries sector.

Such efforts are sometimes inhibited by access to markets. Action to roll back present barriers to industrial country markets is urgently needed. At the same time, African countries are concerned that their preferential access to certain markets, such as the European Community through the Lomé Convention, is being eroded.

Africa's diversification effort will also need to be backed, at the international level, with increased resources. Unlike in other regions of the world, diversification in Africa has received relatively little in the way of international support. The second account of the Common Fund for Commodities, now coming into operation, could be one source of such funds. But a special study on diversification attached to the Secretary-General's report calls for an African Diversification Fund to be urgently established, financed through government contributions, commodity consumption taxes and borrowings, which would, among other things, act as a focal point to galvanize the technical assistance and provide finance for the development and implementation of diversification programmes and projects. ■

FINANCIAL FLOWS



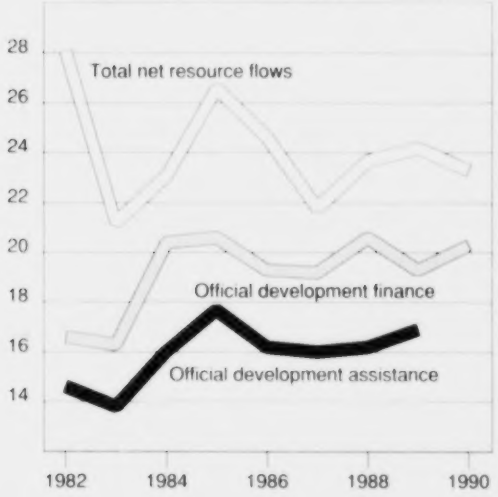
The success of African recovery plans was predicated on an increased flow of financial resources into the region to complement the countries' own investment efforts. The UN Special Session in 1986 agreed that additional flows of some $9 bn a year — implying total net flows of close to $35 bn (in constant dollars), would be needed. It was also presumed that there would be a steady improvement in earnings from exports. Instead, the UNPAAERD years saw a steady decline in export earnings, largely as a result of falling commodity prices, totalling some $50 bn. Financial flows not only failed to compensate for falling earnings, they fell far short of the figure suggested in 1986, and actually declined in real terms.

Net financial resource flows — public and private grants, loans and investment, minus repayment of principal, but not interest, dividends and charges — into Africa, which stood at $24.6 bn in 1986, fell to $23.3 bn (in the same 1986 dollars) by 1990. Annual net resource flows during UNPAAERD were some 7 per cent down in real terms on the preceding five year period — an average $23.5 bn a year (in 1986 dollars) compared with $25.2 bn during 1981-85.

Net resource flows into Africa declined in real terms during the UNPAAERD period.

A small rise, in real terms, in official development assistance (ODA), from $16.2 bn in 1986 to $16.9 bn in 1989, was offset by a sharp fall in export credits and falling or stagnant private flows.

Net resource flows
(at 1986 prices and exchange rates, $ bn)



Africa's mounting stock of debt has meant a constant outflow of capital to service it. Between 1986-89 this outflow averaged some $21 bn a year, over 30 per cent of export earnings. Even then, in the case of sub-Saharan Africa, only half of what was due was paid.

Economic instability, political uncertainty and fear of devaluation combined to prompt a large and steady exodus of savings. Such capital flight probably averaged at least $5 bn a year, or $30 bn during the UNPAAERD period, and possibly as high as $50 bn.

According to figures from the Organization for Economic Cooperation and Development (OECD), net flows of official development finance — which account for some 80 per cent of total resource flows to Africa — rose in the latter part of the 1980s, from under $20 bn in 1986 to a provisional $28 bn in 1990. But in real terms the rise was under 2 per cent a year. In 1986 prices and exchange rates,the level of official support averaged a little over $18 bn a year during 1981-85 and $19.7 bn during 1986-90.

By far the biggest portion of this support was in the form of concessional aid, which rose modestly in real terms; from an average $15.2 bn a year during the first half of the decade to $16.3 bn for 1986-89. The UNPAAERD period saw little change in Africa's share of aid from the Development Assistance Committee (DAC) members of the OECD, with sub-Saharan Africa's share rising marginally, from 28.5 per cent in 1986 to 29.8 per cent in 1989.

Most of the aid to Africa continued to be distributed through bilateral channels. Net flows of such aid rose in nominal terms from an average $9.34 bn a year in 1981-85 to $13.75 bn in 1986-89. Again, in real terms — and in relation to the expanding economies of industrial countries — the flow of funds was more modest. As a percentage of their gross national product (GNP), net disbursements of aid from DAC countries averaged 0.35 per cent a year during 1986-89, compared with 0.36 per cent between 1978-80, still a long way from the UN target of 0.7 per cent of GNP. Much of this aid also continued to be tied to the purchase of donor goods and services.

However, during the UNPAAERD period much of the effort to direct more aid to Africa centred on the multilateral institutions, in particular the World Bank. In 1987, the replenishment of its soft-loan affiliate, the International Development Association (IDA), earmarked half of its resources to sub-Saharan Africa, some $6.2 bn. In the same year, the Bank launched its Special Programme of Assistance (SPA) for low-income, debt-distressed African countries, with some $6.4 bn pledged through a combination of co-financing and debt relief, of which approximately half was considered additional to existing planned expenditures for Africa. Though limited to some 22 countries initially, the SPA has been a significant factor in channelling more and faster disbursing aid.

The IMF similarly attempted to make its resources

more responsive to Africa's needs, with the establishment of a concessional Structural Adjustment Facility (SAF) in 1986, followed by an enhanced version (ESAF) in 1987. Unfortunately, tight conditionality on borrowing from these facilities has limited their use by African countries. Despite raising commitments from some $1.95 bn in 1986 to $3.6 bn in 1989, the IMF remained a net recipient of funds from Africa in all but one year of the UNPAAERD programme. In total, African countries paid back to the IMF between 1986-90 nearly $3 bn more than they received (for sub-Saharan Africa, the figure is $1.8 bn).

The UNPAAERD period also saw a significant expansion in lending by the African Development Bank (ADB) following a 200 per cent capital increase in 1987. Total group lending virtually tripled, from $4.3 bn in 1981-85 to $12.1 bn in the 1986-90 period.

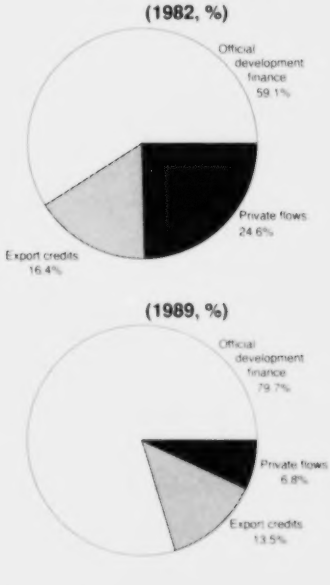
UNPAAERD has been a major focus of activity for UN agencies. Africa's share of total global assistance offered by the UN system rose from approximately 40 per cent in 1986 to 55 per cent in 1989; from $1.2 bn to $1.6 bn.

Despite efforts to boost aid to Africa during the UNPAAERD period, at least in nominal terms, its effectiveness has been affected by an increasing tendency to tie disbursements to the adoption of a structural adjustment programme with the IMF/World Bank. This meant that much of the aid effort went towards short-term payments stabilization goals and not towards longer-term structural change; and also had the effect of narrowing the range of countries benefiting from the nominal rise in aid flows, leaving those without such programmes often starved of aid funds. For the World Bank itself, funding was increasingly directed towards fast-disbursing programme lending, usually with a large number of conditions attached. Such lending accounted for 35 per cent of 1987-90 lending, compared with less than half that in the preceding three years.

Small-scale farming project funded by the UN's International Fund for Agricultural Development (IFAD). Such schemes are a primary focus for increased aid flows.

The rise in aid flows was also diluted by a sharp fall in other official flows. The net flow of export credits fell in nominal terms from some $2.6 bn a year in 1981-85, to under $1 bn between 1986-90, with net outflows to DAC countries recorded in 1986 and 1988. Net international bank lending rose, in nominal terms, during the UNPAAERD period, according to OECD figures, but was well down on levels prevailing in the late 1970s. Net direct investment failed to rise, averaging a little over $1 bn a year in both the 1981-85 and 1986-89 periods.

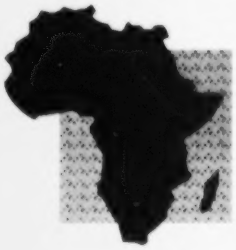
Growing importance for Africa of official flows



Priorities for the 1990s

Urgent action is needed to improve net financial flows into Africa. The UN Secretary-General's report proposes a number of measures. Firstly, increasing aid flows in real terms. Net aid inflows should total $30 bn in 1992 and rise at a rate of 4 per cent a year for the rest of the decade. Larger aid inflows need to be coupled with deeper debt relief. For sub-Saharan Africa total debt servicing should not be more than $9 bn a year. Efforts must be made to attract more private investment into the region, building on the start many African countries have already made in implementing needed economic reforms and formulating more attractive investment codes. The same measures would also help to reverse capital flight from the region, which has proved a massive drain on its recovery efforts. ■

AFRICAN DEBT



Africa's rising stock of debt is not sufficiently large to threaten the world's financial system, but relative to the size of Africa's economies it represents a burden far heavier than in any other region of the world. Africa's creditors have recognized the need for special measures to address the region's problems. However, their actions are yet to significantly ease this burden and have largely been limited to low-income countries carrying out adjustment programmes approved by the International Monetary Fund (IMF) and World Bank.

By 1990, Africa's foreign debt had climbed close to $272 bn — almost double its 1980 level and equivalent to over 90 per cent of the region's gross domestic product (GDP). For sub-Saharan Africa, the debt burden was heavier still: 112 per cent of GDP.

In servicing this debt, African countries are paying out over $20 bn a year (close to $10 bn for sub-Saharan countries). This has been roughly equivalent to 30 per cent of export receipts. With countries highly dependent on imports for much of the resources they need for development, servicing the debt has directly taken away money needed for clinics, schooling and jobs.

African countries have managed to pay back only half the debt servicing originally due. Interest arrears have risen to over $10 bn.

Even then, most African countries have found it impossible to fully meet all their debt servicing obligations. Sub-Saharan African countries, for example, have managed to pay only half of the obligations originally due. Arrears on interest payments on their long-term debt, for example, rose from $221 mn in 1980 to $7.2 bn in 1989 (for Africa as a whole, arrears rose from $704 mn to $10.7 bn over the same period). Most countries have been forced to negotiate new repayment terms. The debt of more than 30 African countries has been re-scheduled, many more than once. This action, by adding interest arrears to the principal, has often increased their stock of debt.

Unlike other regions, most of Africa's debt is owed to official creditors — some 60 per cent. This pattern has been intensified by the contraction in private bank lending to Africa during the 1980s. Sub-Saharan Africa has been even more dependent on official creditors — two-thirds of its debt stock in 1990 was official, compared with less than half in 1980.

In the UNPAAERD period the share of the multilateral institutions in the stock of Africa's debt rose sharply — to over a quarter of sub-Saharan Africa's debt, against under 20 per cent in 1980. Their share of debt servicing is even higher — around 40 per cent for sub-Saharan Africa.

Between 1986 and 1990, creditors undertook a number of initiatives on Africa's debt. In 1987-89, total debt cancellation for 24 low-income African countries amounted to $1.6 bn and for nine middle-income countries, $222 mn. Altogether, the World Bank estimates that between 1978 and 1990 donors cancelled about $7.6 bn in aid debt to low-income African countries.

Additional significant initiatives have been undertaken. Among the major donors, France has cancelled some $2.4 bn of debt owed by 35 low-income African countries; the United States has undertaken similar action for $1.4 bn of debt to 22 African countries; and Italy has cancelled $1 bn of debt owed by developing countries, most of which are African.

Under terms agreed at the 1988 Western economic summit in Toronto, leading creditors have offered partial write-offs and easier repayment terms on some non-concessional official debts.

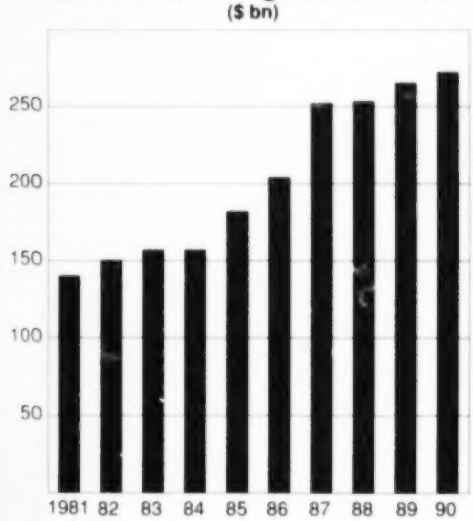
Following a similar initiative at the Houston summit in 1990, middle-income countries have been offered improved repayment terms. To date Congo, Morocco and Nigeria have benefited.

Only one African country, Morocco, has so far benefited from the Brady initiative which is designed to lower the stock of commercial debt, while at the same time ensuring a mix of new private and official funding.

The World Bank has made $100 mn available, supplemented by bilateral resources, to fund the buying back of the commercial debt of certain low-income countries. The first deal, for Niger, was struck in late 1990.

To help overcome the problem of payment arrears to

Africa's mounting external debt
($ bn)



the IMF — five African countries are ineligible to borrow because of such overdue payments — a 'rights accumulation' programme has been devised under which countries can accumulate credited borrowing rights. These can eventually be used as collateral to pay off the arrears. Zambia has become the first country to take up the scheme. The World Bank has also taken action to help low-income countries pay servicing costs on previous Bank loans.

In spite of the benefits that Africa has derived from many of these initiatives, the real debt relief accruing has so far been marginal. Virtually all of the debt forgiven, for example, has been highly concessional aid debt, with only a modest impact on debt servicing. In 1990, cancellations saved less than $100 mn, out of total payments of some $10 bn by all sub-Saharan African countries.

The same picture is true for the gains from the Toronto accord. To date, only 17 African countries have benefited from the scheme. In 1989, savings on interest payments for these countries amounted to $100 mn, less than 2 per cent of their total servicing bill.

New areas for action

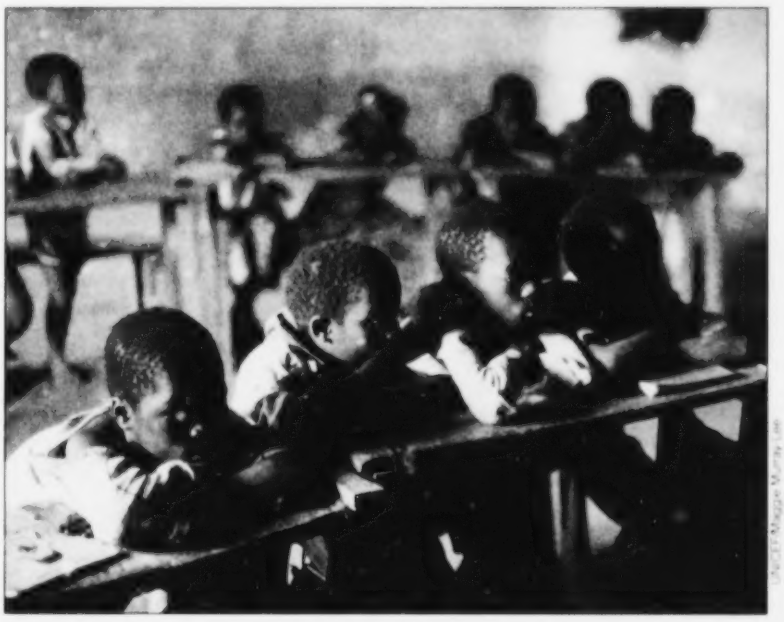
The cancellation earlier this year of at least 50 per cent of debt owed by Poland and Egypt to Western official creditors has increased calls for similar action for the poorer countries of Africa. As priorities for action, the UN Secretary-General's report calls for:

- Cancellation of all official bilateral debt.
- Cancellation of other semi-official debts, such as export credits.
- Ways to substantially reduce multilateral debt should be found.

Commercial debts, which are already highly discounted on the financial markets, should be written down at commensurate rates and the remainder bought back through donor-supported initiatives, including various swap options.

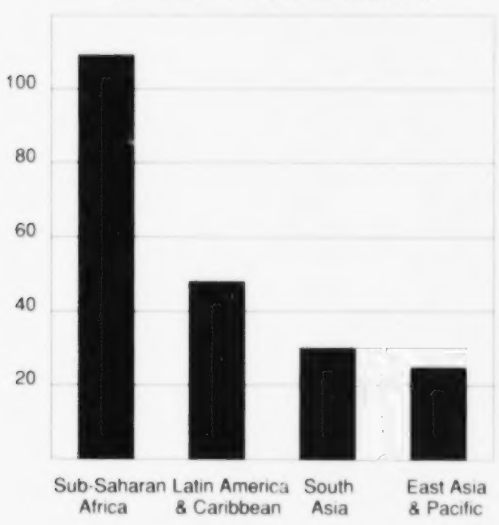
Creditor countries are responding to such calls in a number of ways. Among new schemes proposed is one put forward by the UK — the so-called Trinidad Terms — which would improve on Toronto by immediately writing-off two-thirds of eligible debt, as opposed to one-third under Toronto, and rescheduling the remainder over 24 years. A Dutch scheme proposes cancelling all the aid debt of the least-developed countries, two-thirds of which are in Africa. The Paris Club of Western official creditors is now actively considering the Trinidad proposal, but leading Western countries at their July economic summit in London failed to reach agreement on further debt relief along Trinidad lines.

Even if the new schemes were implemented, there would still be need for further action. The Trinidad Terms, for example, require the exports of most eligible African countries to grow by at least 8 per cent a year — a very difficult rate to achieve — if the debt service ratio is to be reduced, on average, to a more manageable 20 per cent, UN Conference on Trade and Development (UNCTAD) estimates show. African countries, as well, have called for an end to linking debt relief to the adoption of IMF/World Bank programmes. ■



Where are our textbooks? Money spent on servicing debt could have been used for schooling.

Africa's debt burden
(external debt as a % of GNP, 1990)



AGRICULTURE

Agriculture, and the specific goal of attaining food security on the continent, has been one of the foremost priorities of the UN's Africa Recovery programme. Both UNPAAERD and Africa's own economic action plan, which preceded it, urged African governments to devote 20-25 per cent of public investments to this sector.

During the UNPAAERD period the majority of African governments shifted more resources towards agriculture and began the implementation of far-reaching reforms — liberalizing trade and boosting price incentives to farmers, in particular.

These reforms have had some effect in boosting overall output. But in per capita terms Africa's production picture is very different.

- Between 1986-90, agricultural production grew annually by some 3 per cent, virtually double 1980-85's 1.6 per cent average.

Despite greater investment in agriculture, no less than 34 African countries have experienced a decline in per capita food production since 1986.

- No less than 34 African countries have experienced a decline in per capita food production since 1986. The UN Food and Agriculture Organization (FAO) index of food production per capita, which stood at 100 for 1979-81 and again in 1986, was an estimated 95 by the end of the programme.

Per capita food production
(1979-80=100)

- The UNPAAERD years continued to see a steady decline in Africa's self-sufficiency in food, under way since the early 1960s. The ratio of food supply to consumption requirements, which stood at 92 in 1980, was estimated at 85 in 1990.

- Africa was the only continent to experience a fall in dietary energy supply during the 1980s, after a long period of slow growth. Daily calorie intake per head declined from 2,156 in 1980 to 2,122 in 1987 and remained stagnant through 1989.

Twenty-four African countries report earmarking 20-25 per cent of public investment for agriculture. Some 80 per cent of African countries have adopted emergency food policies and 60 per cent report improved food storage facilities. Half of African countries have instituted early warning systems to detect emerging food shortfalls and 40 per cent have strengthened their agricultural research efforts.

These efforts have yielded some results. Fourteen countries, for example, report benefits from raising investment levels and improved food storage. Such reforms, combined with better weather conditions, help to explain the rise in output from 1986. Recovering from the famine years of 1984-85, the growth in African cereal production bettered that of South America for much of the UNPAAERD period and compared favourably — except for 1987 — with Asia's steady expansion of output. Non-food production performed even better, with the rate of growth improving from 2.5 per cent during 1980-85 to 3.2 per cent in 1986-87. Production of export crops such as cocoa, cotton and sugar, all rose during the second half of the 1980s.

Despite more resources being devoted to the agricultural sector, Africa's food import bill has remained high as population has continued to expand, accounting for close to 20 per cent of export income for much of the 1980s. Encouragement of the domestic food sector has sometimes been undermined by the low price of imported cereals. Tens of billions of dollars in subsidies have enabled large exporters such as the United States and the European Community to land wheat in North and West Africa at well below the production cost of locally-grown grains. Production of other commodities, such as vegetable oils and beef, have been similarly affected by the agricultural policies pursued by industrial countries, where a combination of subsidies and protectionist barriers has had the effect of discouraging an expansion of production for export in some areas.

Efforts to boost food production for the local market may have been constrained in some areas by extra investment going into the export crop sector. Where food production has been raised, its cost to the urban consumer, with the general removal of subsidies, has often risen sharply in comparison to average earnings.

Most African countries remain highly vulnerable to

famine. Despite many reforms, African farming remains essentially a rain-fed system, open to the vagaries of the weather, subject to natural disasters such as floods and with a quarter of African countries afflicted by insect infestations — particularly locusts — and crop diseases. To this susceptibility to external factors must be added protracted civil unrest in many areas which has been equally destructive of food output.

The use of food aid has therefore stayed high throughout the UNPAAERD period, averaging some 5.5 million tonnes a year. The fact that half the countries of the region have instituted early warning and emergency systems is helping in some regions to ensure food supplies are more readily available to meet sudden crises. But much more still needs to be done in stockpiling — with more international support — better regional coordination and vastly improved transport and logistics networks. By mid-1991, an estimated 30 million people were again facing starvation. Food aid needs, at some 5.7 million tonnes, were close to the highs recorded during the 1984-5 famine.

UN/Milton Grant

Food imports, much of it as aid, have been high throughout the UNPAAERD period.

Priorities for the 1990s

The needs of Africa's food sector are many and varied:

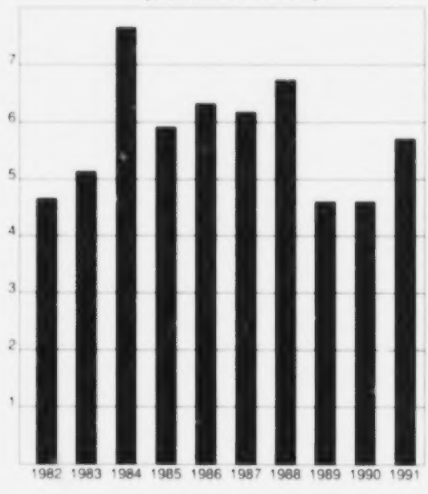
- The sector needs further resources. Despite agriculture accounting for a quarter of GDP, some countries still devote less than 10 per cent of their budgets to it.

- Productivity has to be raised. Increased yields contributed a mere 0.1 per cent of the average 1.6 per cent increase in output during the 1980s. Improved inputs — fertilizer use is a mere 12 kilogrammes a hectare — is one area for urgent action, requiring more resources and better delivery systems, particularly to women, who are primarily responsible for cultivation but who too often are ignored in programmes designed to boost food output.

- Steps have been taken to improve price incentives, but still more needs to be done. Improved incentives to farmers have often been undermined by the rising cost of inputs when subsidies are removed.

- Investment in transport infrastructure is also urgently required. In many cases successes in raising output have been turned into failure because of the lack of means — roads, fuel, spare parts — to market the crops quickly and efficiently.

Food aid to Africa
(millions of tonnes)



The above efforts have to be coupled with action to halt and reverse environmental degradation. In the past, most of the growth in food production has been achieved through expansion of the area under cultivation, which in some regions represents a threat to the natural environment.

Finally, Africa's own efforts need the support of the international community, both in terms of increased aid and investment and a more favourable trading environment which will encourage rather than undermine efforts to boost domestic food production. Efforts under way in the General Agreement on Tariffs and Trade's "Uruguay Round" of trade talks to liberalize international trade in agriculture offers the chance to boost agriculturalproduction in Africa, though it also could have a number of adverse effects, not least rising prices in the short run. ■

COUNTRY PROFILES

	Population		GNP per capita ($)		Real GDP growth (annual average % change)		Total debt ($ mn)		Debt service, as % of exports 1989[1]	Aid per capita ($) 1989	Food production per capita (1979-81=100)		Infant mortality (per 1,000 live births)		Life expectancy (years) 1985-90	Adult literacy male/female (%) 1985	Primary school enrolment 1988		Access to safe water (%) 1985-88
	(mn) 1990	Growth rate 1985-90	1980	1989	1981-85	1986-90	1980	1989			1981-85	1986-89	1980-85	1985-90			Total (%)	Females per 100 males	
Algeria	24.96	2.9	1940	2250	4.46	0.68	19,377	26,067	69	6	97	99	88	74	64	63/37	96	80	71
Angola	10.02	2.8	725	620	0.12	4.12	n.a.	6,950	42	14	93	85	149	137	45	49/33	n.a.	n.a.	35
Benin	4.63	3.2	320	380	3.72	-0.1	417	1,177	7	54	101	114	100	90	46	37/16	63	51	35
Botswana	1.30	3.5	780	1600	11.7	8.44	133	513	4	133	88	68	76	67	59	73/69	116	107	58
Burkina Faso	8.99	2.8	240	320	4.92	2.96	334	756	9	32	101	116	149	138	47	21/6	*32*	*59*	67
Burundi	5.47	2.9	200	220	5.12	1.86	166	867	33	37	99	98	129	119	48	43/26	70	75	38
Cameroon	11.83	2.7	960	1000	9.5	-1.7	2,513	4,743	19	41	98	96	103	94	52	68/45	*111*	85	32
Cape Verde	0.37	3.1	520	760	4.82	2.24	20	130	n.a.	n.a.	61	84	52	44	66	n.a.	n.a.	n.a.	69
CAR	3.03	2.5	320	390	2.4	1.62	20	716	14	64	94	90	114	104	49	53/29	67	62	12
Chad	5.67	2.5	160	190	6.54	2.84	218	368	5	43	97	101	143	132	46	40/11	*51*	*40*	n.a.
Comoros	0.55	3.1	344	450	3.6	1.48	44	176	9	n.a.	n.a.	121	109	99	54	n.a.	n.a.	n.a.	n.a.
Congo	2.27	2.8	340	940	11.16	1.96	1,496	4,316	27	41	100	97	81	73	53	71/55	n.a.	95	21
Côte d'Ivoire	11.99	3.9	850	790	-0.26	-0.96	5,848	15,412	41	35	95	95	105	96	52	53/31	n.a.	70	18
Djibouti	0.40	3	n.a.	n.a.	1.52	1.04	32	180	n.a.	n.a.	n.a.	n.a.	132	122	47	n.a.	n.a.	n.a.	45
Egypt	52.42	2.2	500	630	7.88	2.66	20,384	48,779	22	31	103	108	115	65	59	59/30	90	*75*	73
Eq.Guinea	0.35	2.4	n.a.	430	0.5	2.92	76	228	19	n.a.	n.a.	n.a.	137	127	46	n.a.	n.a.	n.a.	n.a.
Ethiopia	49.24	2.7	120	120	-0.14	3.88	804	3,013	39	14	93	90	159	137	44	n.a.	36	64	19
Gabon	1.17	3.3	3900	2960	1.98	0.92	1,513	3,176	12	121	91	81	112	103	52	70/53	n.a.	98	68
Gambia	0.86	2.7	350	240	0.96	7.62	137	342	11	n.a.	111	94	154	143	43	n.a.	n.a.	n.a.	75
Ghana	15.02	3.1	410	390	0	5.36	1,314	3,078	50	38	106	108	98	90	54	64/43	73	80	57
Guinea	5.75	2.5	303	430	1.84	3.96	1,117	2,176	15	62	97	90	157	145	43	40/17	30	*45*	32
Guinea-Bissau	0.96	2.3	130	180	7.32	2.04	132	458	4	n.a.	116	108	163	151	42	n.a.	n.a.	n.a.	21
Kenya	24.03	4.1	420	370	3.62	4.62	3,530	5,690	33	41	96	102	80	72	58	70/49	93	94	30
Lesotho	1.77	2.8	410	470	1.38	6.4	71	324	3	69	85	79	111	100	56	62/84	112	*125*	48
Liberia	2.57	3.3	580	n.a.	-0.9	-6.96	686	1,761	n.a.	23	100	95	153	142	53	47/23	*35*	n.a.	58

Libya	4.54	3.6	9741	5310	-3.54	0.44	n.a.	n.a.	n.a.	3	107	107	97	82	61	81/50	n.a.	n.a.	97
Madagascar	12.00	3.2	430	230	-0.78	2.4	1,257	3,607	52	28	98	93	130	120	54	74/62	97	95	32
Malawi	8.75	3.3	180	180	3.12	2.68	821	1,394	28	48	95	85	163	150	47	52/31	72	*80*	56
Mali	9.21	3	240	270	1.72	6.6	733	2,157	19	57	102	97	180	169	44	23/11	23	59	38
Mauritania	2.02	2.8	440	490	-0.34	1.5	845	2,010	20	102	91	88	137	127	46	n.a.	*52*	*70*	66
Mauritius	1.08	1.2	1180	1990	4.46	6.82	467	832	10	54	101	101	28	23	69	89/77	105	88	95
Morocco	25.06	2.4	930	880	2.52	4.28	9,678	20,851	32	18	100	122	97	82	61	45/22	67	*63*	61
Mozambique	15.65	2.7	n.a.	80	-7.9	3.64	n.a.	4,737	24	49	91	84	153	141	47	55/22	*68*	*78*	24
Namibia	1.78	3.2	n.a.	1030	-1.38	2.88	n.a.	n.a.	n.a.	26	90	92	116	106	56	n.a.	n.a.	n.a.	n.a.
Niger	7.73	3.1	440	290	1.14	2.42	863	1,578	33	40	88	86	146	135	45	19/9	30	56	49
Nigeria	108.54	3.5	1030	250	-1.82	3.18	8,934	32,832	21	3	99	98	114	105	51	54/31	62	*82*	48
Rwanda	7.23	3.4	240	320	2.4	-0.56	190	652	19	35	97	78	132	122	49	61/63	64	*97*	64
Sao Tome	0.12	2.4	485	312	-3.88	4.52	24	131	45	n.a.	n.a.	85	n.a.	59	67	n.a.	n.a.	n.a.	45
Senegal	7.32	2.7	510	650	3.04	2.8	1,468	4,139	29	91	102	106	97	87	50	37/19	59	*69*	54
Seychelles	0.07	1	2000	4170	1.72	5.34	84	169	12	n.a.	n.a.	n.a.	n.a.	n.a.	47	n.a.	n.a.	n.a.	n.a.
Sierra Leone	4.15	2.6	320	220	-0.6	0.44	430	1,057	n.a.	25	99	90	166	154	41	38/21	53	n.a.	42
Somalia	7.49	2.4	140	170	3.5	1.18	660	2,137	34	72	94	97	143	132	45	18/6	52	n.a.	35
Sudan	25.20	2.9	430	641	1.06	2	5,163	12,965	8	31	94	88	118	108	50	33/14	*49*	n.a.	21
Swaziland	0.78	3.4	820	900	3.3	5.06	206	281	5	n.a.	100	99	129	118	56	n.a.	n.a.	n.a.	50
Tanzania	27.31	3.7	280	120	0.44	3.68	2,572	4,918	17	39	95	89	115	106	53	93/88	*66*	*99*	56
Togo	3.53	3.1	420	390	-1.64	3.18	1,045	1,185	19	52	91	89	105	94	53	53/28	*101*	*63*	71
Tunisia	8.18	2.4	1410	1260	3.78	3.54	3,527	6,899	23	31	99	96	71	52	65	68/41	*116*	82	64
Uganda	18.79	3.5	280	250	2.22	3	733	1,808	81	24	99	86	112	103	51	70/45	77	*82*	20
Zaire	35.56	3.2	630	260	1.72	1.78	4,860	8,843	22	19	98	95	92	83	52	79/45	*76*	*78*	34
Zambia	8.45	3.7	600	390	0.74	-0.2	3,266	6,874	12	50	91	96	88	80	53	84/67	*97*	*90*	59
Zimbabwe	9.70	3.1	710	650	3.44	3.12	786	3,088	26	28	96	94	76	66	58	81/67	128	*95*	n.a.

Source: UN Africa Recovery adapted from: (a) FAO: *Production Yearbook, 1989* (b) UN: *World Population Chart, 1990* (c) UNCTAD: *The Least Developed Countries 1990 Report* (d) UNICEF: *The State of the World's Children Report, 1991* (e) World Bank: *World Debt Tables 1990-91, World Development Report 1990* and *1991*.
* Figures in italics are for the latest available year.
Note: Figures in current dollars unless stated. 1. Debt servicing figures are for actual payments, not scheduled obligations.

INDUSTRY

Africa's plans for widespread industrialization in the continent have been a major casualty of the years of economic crisis, although a few countries have registered notable successes. These plans were articulated in the 1980 Lagos Plan of Action, with the overall goal of achieving regional self-reliance in a number of core industrial sectors by the end of the century. Efforts to implement such a strategy through the first Industrial Development Decade for Africa (IDDA), 1981-1990, however, have been knocked off course; first by the severe economic downturn in the early and middle part of the 1980s and then subordinated to the greater priority of reviving Africa's agricultural sector. While African countries did not abandon the long-term goals of the Lagos Plan, the adoption in 1985 of Africa's Priority Programme for Economic Recovery and, in the subsequent year, UNPAAERD, also saw a shift in the resources available — already constrained by economic crisis and the measures adopted to stabilize economies — towards agriculture, rehabilitation and, latterly human resource development.

In per capita terms, the value of African manufacturing output during the UNPAAERD years remained unchanged.

During the 1980s, manufacturing industry's share of Africa's economic output — measured by its share of gross domestic product (GDP) — rose only marginally, from 8.9 per cent in 1980 to 10.5 per cent in 1990.

Manufacturing value added in Africa
(annual % change)

Capacity utilization rates in most industrial sectors remained low throughout the decade — averaging 30-40 per cent of installed capacity. One integrated steel plant in Africa had an average capacity utilization rate of 2 per cent.

Investment, particularly in the core sectors identified in the Lagos Plan, failed to materialize. Much of the investment in place has performed very poorly. The record of public industrial enterprises — which dominated the industrial sector in many countries — has been extremely disappointing. The great majority have been run at a loss and consequently have proved to be a drain on central budgets. Private investment flows fell from $6.7 billion in 1986 to only $3.5 billion in 1989.

Manufacturing value added — the total value of manufactured goods, minus the cost of some inputs, such as raw materials — picked up marginally during the UNPAAERD period, averaging growth of some 2.7 per cent a year. Some countries, such as Mauritius, Tunisia and towards the end of the decade Lesotho, have registered significant rates of growth in manufacturing output. However, more typically the increase in industry's share has often been only a larger proportion of a stagnant or declining output. In per capita terms, manufacturing value added, which rose in real terms from some $52.75 in 1980 to slightly under $58 in 1986, fell back to $57.34 a head in 1990, according to UN Industrial Development Organization figures. Falling formal sector employment during the UNPAAERD period is another manifestation of the severity of the decline in the sector, which has led some to claim that the region is experiencing "de-industrialization." This view has been reinforced by the trend during the 1980s towards an increase in the already heavy dependence on raw material exports discernible in a number of African countries, as well as by concern that trade liberalization measures being adopted in many countries could threaten many of Africa's infant industries.

A key part of Africa's industrial sector is agro-processing enterprises. These account for at least half of the region's manufacturing value added. In some countries, agro-processing's share of industrial output is as high as 90 per cent. The sector was an important element in both the Lagos Plan and UNPAAERD, as well as in many structural adjustment programmes. The latter part of the decade saw a determined effort to stimulate growth in this sub-sector through more liberal operating conditions and the reduction or elimination of government ownership and control. Added to this, have been efforts to develop new small- and medium-scale enterprises, using local raw materials.

In theory, the reliance of agro-processing on domestically-generated raw materials should mean that it is less susceptible to the foreign exchange constraints which have left most other industrial sectors bereft of needed inputs. The sector should also be less dependent upon foreign technology and capital — another major con-

straint on industrial development in Africa.

In practice, however, the performance of the agro-industrial sub-sector has fluctuated widely. Highly dependent on the fortune of domestic agriculture for its inputs, the sector has tended to follow the ups and downs of the larger sector. In addition, it has been as susceptible as other sub-sectors to inappropriate or poorly conceived economic policies and inadequate financial infrastructure.

Demand for its goods has also been constrained: domestically, by falling living standards, which has meant that many cannot afford processed food; and internationally, where access to markets has been limited through a combination of intense competition and the general level of protectionism that still exists on processed agricultural goods.

Priorities for the 1990s

A strategy to reverse the industrial decline of the 1990s has been spelt out in the second Industrial Development Decade for Africa. While retaining the self-reliance goals articulated in the Lagos Plan of Action, the latest IDDA reflects the lessons of the past, as well as present priorities.

- Reflecting the importance of agriculture in overall development plans, industrial priorities continue to focus on food-processing and other agro-industries, as well as the rehabilitation and regeneration of existing industries.

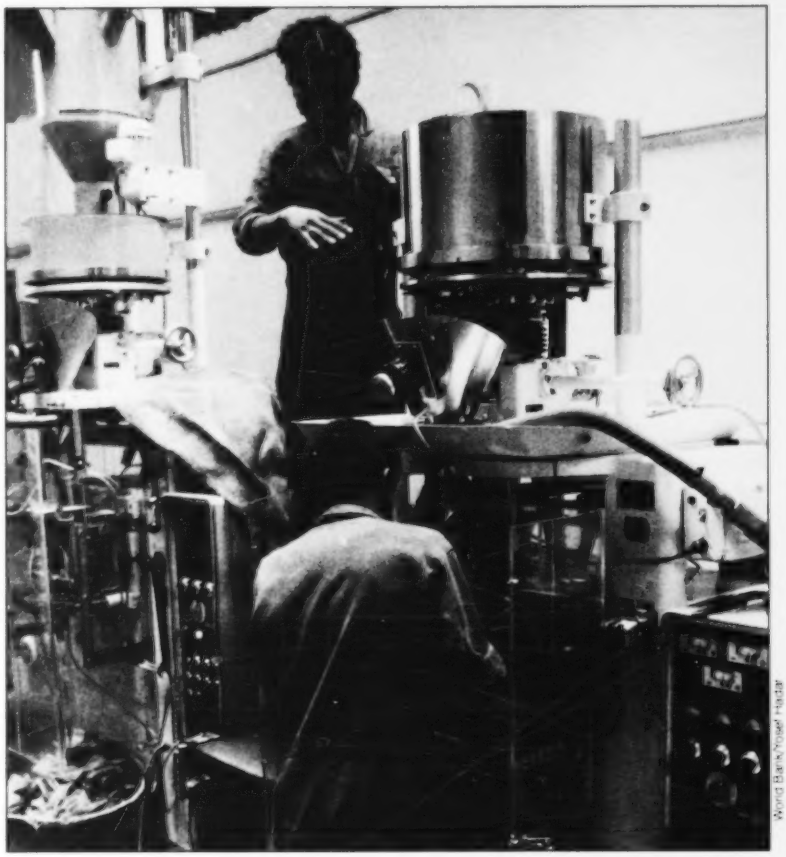
- Great importance is attached to the overall economic policy environment — to encourage both private and foreign investment — along with the need to strengthen physical and institutional infrastructure.

- Efforts are needed to promote African entrepreneurship. This is part of a wider strategy to boost human resource development which, for the success of any industrial strategy, will require the more specific tasks of improving management and technical skills, as well as the development of marketing expertise.

- It is envisaged that public enterprises will continue to fulfil a role in Africa's industrialization plans, but their performance will have to be improved.

- Efforts to develop Africa's industrial sector are crucially dependent upon initiatives, now under way, to foster intra-African trade, particularly in foodstuffs. Implementation of trade liberalization among members of Africa's regional economic communities, along with efforts to develop novel ways of financing this exchange of goods, are a necessary adjunct to many national industrial developments plans.

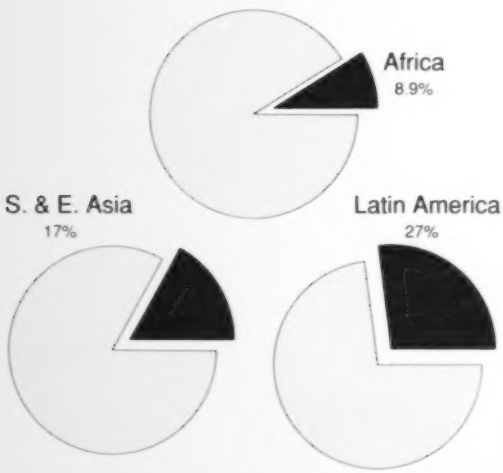
Where such plans also envisage the export of goods on to the world market, they will also need to be complemented by a marked improvement in Africa's access to industrial country markets, necessitating a rolling-back of many of the protectionist barriers presently in place. ■



World Bank/Yosef Hadar

Coffee-roasting plant, Madagascar. Adding value to Africa's commodity exports is central to an industrialization strategy.

Share of manufacturing in GDP
(1985, at constant 1980 prices)



HEALTH

The average African can expect to live for only 53 years. This figure has been increasing steadily in recent decades, although it is still the lowest life expectancy in the world. At the same time, some diseases made a resurgence in Africa in the 1980s as health expenditures declined, with roughly two out of every three Africans now suffering from one or more debilitating diseases. The fact that nearly all these are preventable or treatable reflects the weakness of sanitation and health services in the continent, as well as the growing incidence of poverty which now affects half of all Africans. Such multiple health problems — the most widespread of any world region — are a legacy of persistent economic crisis, and of some of the policies adopted to overcome it.

The main causes of illness in Africa are infectious and parasitic diseases, which currently account for 47 per cent of all deaths. The leading diseases are:

- **Malaria** causes some 90 million Africans to fall seriously ill annually, nearly 1 million of whom die, with roughly 250 million more also carrying malaria parasites in their blood.

- **AIDS** is potentially the biggest health problem for Africa, with nearly 6 million adults already carrying the human immunodeficiency virus (HIV), and over 1 million men, women and children expected to develop full-blown AIDS by early 1992 in sub-Saharan Africa. AIDS is rapidly becoming the leading cause of death for many age groups.

- **Acute respiratory infections** are among the main causes of death in all age-groups in Africa. HIV infection is expected to result in a resurgence of tuberculosis. Africans constitute 78 per cent of the 3 million people in the world suffering from both AIDS and tuberculosis.

Africa has continued to make important gains in two key areas of health: life expectancy and infant mortality.

- **Schistosomiasis (or bilharzia)** which affects over 140 million people in sub-Saharan Africa. Over 400 million Africans are at risk because of daily contact with untreated water through fishing, irrigated farming, bathing and washing, says the World Health Organization (WHO).

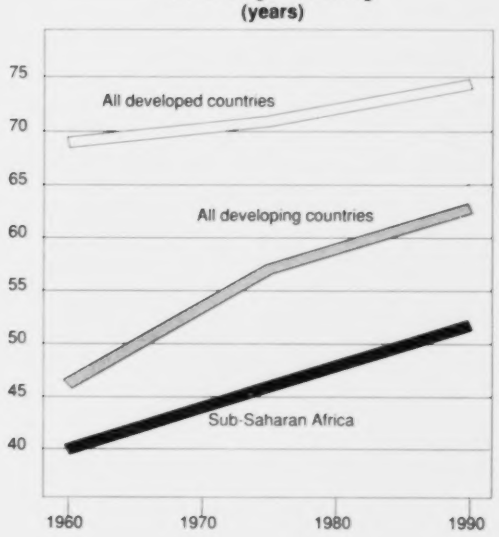
Other major diseases include lymphatic filariasis or elephantiasis (afflicting 28 million Africans); onchocerciasis, or river blindness (17 million); and leprosy (1-2 million); dracunculiasis or guinea worm and sleeping sickness (which are endemic in some areas). Frequent outbreaks of meningitis and cholera continue to occur.

Some 440 million Africans — over 70 per cent of the population — were afflicted by disease at one time or another during 1990. This forbidding fact comes against the background of a decline in real public health spending during the 1980s, and only a slight rise in its share of gross national product (GNP), at a time of growing need. In some countries, the share of health spending in GNP has actually fallen, by between one-third and one-half. There has also been a clear downtrend in per capita public health spending in real dollar terms, with the sub-Saharan average falling to just $3.50 a year by 1990. In several countries, current levels of health spending are lower in real terms than in the 1970s.

The fall in direct health spending has hit basic social services that are already unevenly spread, despite some progress in overall coverage. Over the last decade, average access to safe drinking water rose from 83 per cent to 87 per cent in urban centres, and from 33 to 42 per cent in rural areas. During the same period urban sanitation coverage rose from an average 65 per cent to 79 per cent, though from only 18 to 26 per cent in rural areas. This disparity contributes to the high incidence of disease and death in rural areas, where the majority of the population lives.

While the disparities within countries almost always show the deprivation of rural areas, the pressures of rapid urbanization in a period of falling spending on social services has resulted in worsening conditions in Africa's swelling cities. UNICEF figures show that capital spending on water and sewerage in Nairobi fell from $28 per

Life expectancy
(years)



capita in 1981 to $2.50 in 1987, and maintenance spending fell from $7.30 to $2.30. In Dar-es-Salaam, per capita spending on urban social services fell by 11 per cent a year between 1978 and 1987. And in Dakar in the 1980s, some 68 per cent of the population relied on public standpipes for water.

Another example of internal disparities is the uneven distribution of access to medical services, even in urban areas. According to UNICEF, people in Abidjan living near hospitals had a ratio of one doctor to 7-800 people, while the rest of the urban poor located in areas without hospitals had a ratio of one doctor to 77-80,000 people.

The inadequate coverage of water and sanitation services in both rural and urban areas is a major factor in the transmission of infectious and parasitic diseases, such as diarrhoea, typhoid, trachoma, intestinal worms, as well as other water-borne diseases such as bilharzia and guinea worm. This latter disease incapacitates victims for up to three months a year. A study conducted during the rice harvest in four Nigerian states estimated the cost of labour lost to guinea worm at $20 mn.

Priorities for the 1990s

Specific efforts to eradicate guinea worm cut its incidence in Nigeria by 39 per cent in 1990. This is an example of what can be achieved through targeted interventions. However, the overall constraints on African economies indicate that public spending will remain limited for some time to come.

According to WHO, Africa's health problems could be eased by using existing resources more effectively, not only to maintain current services, but especially to target rural populations where the incidence of poverty and disease is the highest, but access to health and other social services is the lowest.

UNICEF/Douglas Clement

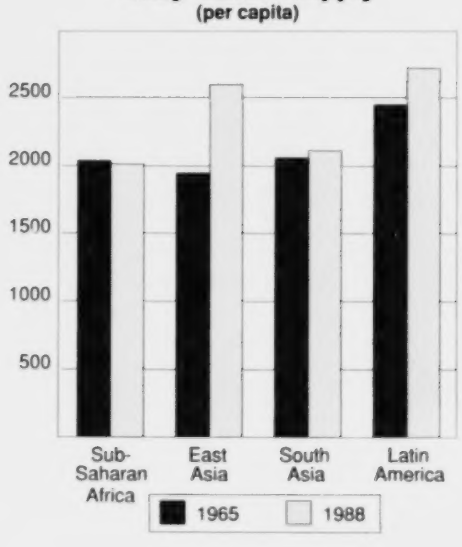
Spending on health clinics has fallen in many countries.

WHO has emphasized the need for Africa to make further progress in primary health care, paying greater attention to strengthening the operation and management of health care delivery at district and local levels. Special attention needs to be paid to the peripheral areas of cities in which over half the total population of Africa will be living by the year 2000, and also to the prevention of AIDS, a disease already adding enormous strain to already overburdened health services.

African governments have themselves laid the basis for progress. African states have declared their intention of achieving faster implementation of the strategy of "Health for All Africans" adopted at the Organization of African Unity in 1987. The 1987 Bamako Initiative has also involved some 27 countries in various stages of developing community self-financing of primary health care through provision of essential drugs and cost recovery.

WHO has also called for a new level of international assistance and cooperation in a "lasting partnership of solidarity for health," with a larger share of development aid earmarked specifically for Africa's health needs. ■

Daily calorie supply
(per capita)



CHILDREN

Despite substantial progress in aspects of child welfare in the 1980s, Africa's continuing economic crisis, coupled with civil strife and natural disasters in many countries, resulted in setbacks by the end of the decade, and even reversals of earlier gains. Africa has the youngest and fastest growing population in the world — some 47 per cent of Africa's 640 million people are aged under 15. It is also the only region where poverty is expected to increase in the 1990s. The implications for children are, therefore, particularly serious. Indicators of the crisis for Africa's children include the following:

Africa still has one of the highest under-5 mortality rates in the world, with over 4 million children dying every year in sub-Saharan Africa alone. It is the only continent where the number of child deaths is projected to increase during the 1990s, although the under-5 mortality rate has been cut by almost 45 per cent since 1960.

About 29 million African children, or one-quarter of children under 5, are currently underweight, and the growth of some 39 million children (or 35 per cent) has been stunted by poor nutrition.

Despite weak infrastructure and often extreme economic constraints, Africa has made major progress in a key aspect of disease prevention: immunization.

By 1989, the proportion of Africa's pre-school children suffering from acute protein energy deficiency had risen to around 40 per cent from 25 per cent in 1985.

Annual health expenditure in Africa is $3.50 per capita, the lowest for any world region. Nearly half of all Africans do not have access to any health services, with women and children the worst affected.

Primary school enrolment rose dramatically during the 1970s, from 65 to almost 90 per cent for boys, and from 44 to almost 69 per cent for girls by 1980. Both these rates slumped by 7 per cent between 1980 and 1987 under the burden of economic crisis, which also lowered the quality of education.

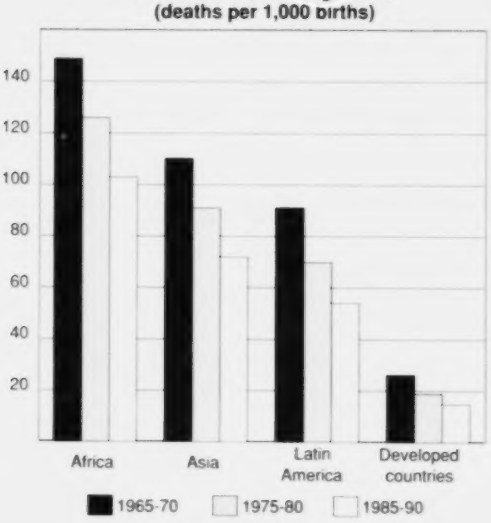
African children would have greater chances of survival and healthy growth if more African women were literate. But women predominate among the 60 per cent of Africa's population that is illiterate, and according to UNESCO, of the 14 countries in the world with female illiteracy rates above 80 per cent, 10 are in Africa.

Despite weak infrastructure and often extreme economic constraints, Africa has made major progress in a key aspect of disease prevention: immunization. By 1990, nearly all African countries had established accelerated immunization programmes to combat the main child killer diseases — diphtheria, whooping cough, tetanus, polio, tuberculosis and measles. Immunization coverage in Africa overall has risen from under 20 per cent in 1980 to nearly 60 per cent today. North African countries have achieved almost 80 per cent vaccine coverage for children under 1. Eighteen out of 44 sub-Saharan countries reached 75 per cent coverage by 1990. Protection against diphtheria, whooping cough, tetanus, polio, and measles has reached almost 58 per cent of under-1 year olds in eastern and southern Africa.

However, Africa's deep economic crisis is raising doubts about the sustainability of even the relatively inexpensive immunization campaigns. These doubts come against a background of continued cuts in government spending in many African countries, with per capita spending on health and education falling in absolute terms and, in several countries, as a percentage of gross national product. Food subsidies, health care, education, water supply and sanitation have often been the first targets of austerity budgets. The result has been stagnation if not reversal in some key social indicators.

There is now a general standstill in infant mortality rates where they had been falling in many countries. Similarly, literacy rates which had been rising rapidly for 20 years, are stagnant or in decline. Acute respiratory infection — principally pneumonia, pertussis and lung complications from measles — causes some 1.5 million childhood deaths every year. Diarrhoeal diseases also lead to some 1.5 million deaths in children under-5 years old. Low-cost oral rehydration therapy (ORT) has proven capable of greatly reducing diarrhoeal deaths, which include cholera, and result mostly from dehydration. But maximizing the usage of ORT also depends on increasing the efficiency of hard-pressed health services.

Infant mortality rate
(deaths per 1,000 births)

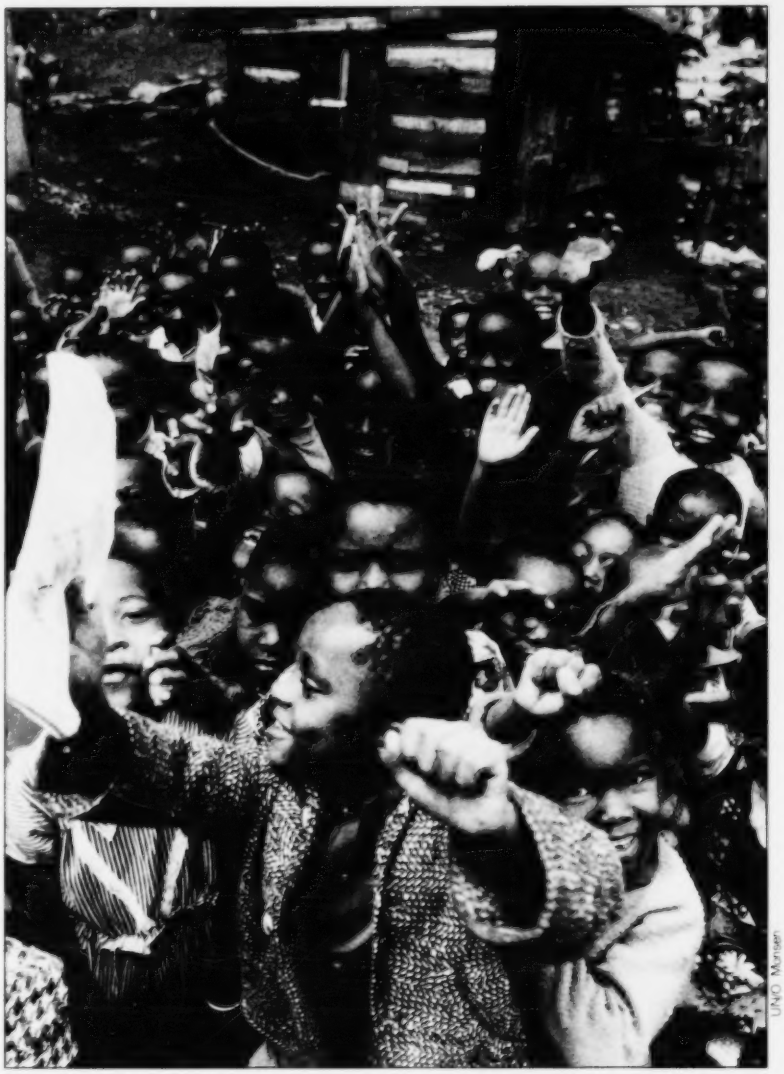


The disturbing trends in social indicators in Africa early in the decade have led to growing domestic and international concern over the need to protect social services during the structural adjustment process. By mid-decade, the campaign by UNICEF for "adjustment with a human face" gained ground as more evidence was recorded of extreme social hardship in a score of African countries.

Although the "human face" concept has become widely accepted, little more than palliative measures have been achieved, and if current trends continue, Africa will suffer 40 per cent of global infant and child deaths by 2000, up from 15 per cent in 1950 and 30 per cent in 1986.

This prospect is worsened by AIDS, which could raise infant and child mortality rates in some African cities by 50 per cent by 2000, according to the World Health Organization (WHO). Already, one in 10 people in East and Central Africa with AIDS is a child under 5 years old. By 1992, roughly 1 million African children will have been born with HIV infection and the 600,000 of them developing AIDS-related illnesses will most likely die before they reach the age of 5. Adult deaths from AIDS could also produce between 5-10 million orphans by the year 2000.

Wars, civil strife and natural disasters have also aggravated the hardships of millions of African children who, with women, comprise the majority of Africa's refugees and displaced people. UNICEF estimates that infants and young children accounted for 1.2 million out of over 1.9 million deaths in southern Africa during the 1980s caused by war and its socio-economic effects. Rising malnutrition among children in several African countries has also struck hardest in war and drought-affected zones, with between 40 and 60 per cent of Ethiopians aged 1-3 years and 40 per cent of Mozambicans aged 1-2 years reportedly malnourished.



UNO Mynsen

We are the future. Children under 15 are nearly half of Africa's population.

Priorities for the 1990s

Confronted by persistent socio-economic crises, more African countries have begun to emphasize primary health care in order to address the urgent needs of women and children in both urban and rural areas. Beginning with the Bamako Initiative drawn up by African health ministers at a 1987 WHO conference in Mali, some 27 African countries are at various stages of integrating a range of preventive health services — including child immunization and pre- and post-natal care — in a decentralized system of community involvement in the financing, management and delivery of health care.

African countries, in greater numbers than any other world region, have also strongly endorsed the UN Convention on the Rights of the Child which became international law on 2 September 1990. Its targets for the end of the 1990s include: cutting child deaths by one-third; halving maternal deaths and malnutrition; eradicating neonatal tetanus, polio, and guinea worm disease; provision of safe water and sanitation for all families; and ensuring basic education for all children, with 80 per cent completing primary school.

UNICEF estimates that the targets for the 1990s can be met at a cost of $7 bn a year, half of which must come from within Africa. In order to generate such funds, many argue that Africa needs greater debt relief, with UNICEF declaring that for the past decade, "the welfare of millions of African children has been mortgaged against a mountain of debt." The net gain of achieving the targets would be 18 million young lives saved, and an equal number spared the disabilities resulting from childhood diseases. Deeper debt relief, higher aid flows and other international interventions are now widely seen as crucial in supplementing African initiatives and stopping the continent's downward spiral into a health catastrophe for its children. ■

POPULATION

Africa s population is growing faster than in any other region of the world. Moreover, its rate of increase has continued to accelerate. Elsewhere, growth rates are falling. By the end of the century Africa's population, numbering some 481 million in 1981, will have almost doubled to over 800 million. Already, nearly half the continent's population is below the age of 15.

At the same time as this rapid rate of increase, the continent continues to have the highest mortality rates in the world, although overall death rates have generally declined during the 1980s.

- Africa's annual growth rate of some 3 per cent (1985-90 average) is the highest of any region in the world. It compares with averages of less than 2 - 2.5 per cent in Asia and Latin America.

By the end of the century Africa's population, some 481 million in 1981, will have almost doubled to over 800 million.

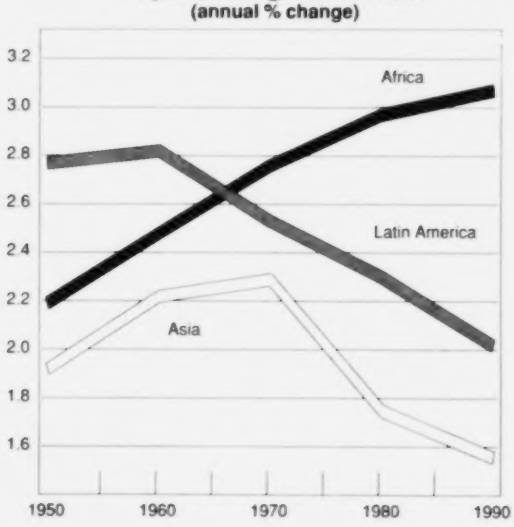
- Population growth rates exceeded economic growth rates in 32 African countries in the 1980s. In only eight countries — Botswana, Burundi, Cameroon, Congo, Egypt, Lesotho, Seychelles and Tunisia — was economic growth consistently higher.

- Africa has the world's lowest life expectancy — 53 years. On average, an African child born in the first half of the 1980s could expect to live 14 years less than his or her counterpart in Latin America, 18 years less than a child born in East Asia and 25 years less than a North American born during the same period.

- As well as the highest birth and death rates in the world, Africa also has the highest fertility rate. On average, African women will give birth to six or more children; their counterparts in Latin America will have four, in Asia three and in developed countries only two.

- Nearly one-quarter of African countries have a population of 1 million or less.

Population growth rates
(annual % change)



Africa's economic crisis during much of the 1980s, its heavy debt burden and, in many cases, the impact of structural adjustment programmes, have all made the implementation of an effective population policy more difficult. Many countries have been compelled to relinquish medium and long-term planning in favour of annual economic recovery plans in which a population component has often been lacking. Severe resource constraints and shifts in priorities have adversely affected investments in social sectors such as education and health, with direct consequences for efforts to reduce mortality rates and a more indirect impact on efforts to encourage family planning.

In many countries of central and eastern Africa thinly stretched health resources threaten to be overwhelmed by the consequences of the spread of AIDS among the population. Already nearly 6 million Africans have been infected with HIV, the virus that causes AIDS, the World Health Organization estimates. AIDS-related deaths could reverse recent progress in both adult and child mortality rates, and lead to a further fall in the share of the most productive age-group in Africa's population.

In many countries there has been a serious and prolonged breakdown in security, often coupled with widespread food shortages or outright famine. Africa, with some 12 per cent of the world's population, has more than half of the world's refugees.

In this situation, much of the hoped-for progress in slowing the rate of population increase, expanding family planning programmes and generally improving the health of the population has been less than anticipated, or in some cases actually regressed, the UN Population Fund (UNFPA) argues.

The relationship between population growth and development remains a complex and often controversial one. At the 1984 Second African Population Conference in Arusha, Tanzania, a consensus was reached that population is a major development issue. Since then, the majority of African countries have taken a range of measures to tackle perceived population problems.

All countries — except for Djibouti, Equatorial Guinea, Gabon, Libya and Somalia — have established Mother and Child Health and Family Planning

programmes aimed at reducing maternal and infant mortality rates.

Nineteen African countries have programmes designed to reduce fertility rates as part of their development plans. Two, Gabon and Libya, have encouraged an increase in fertility rates.

The majority of governments have taken some measures to try and reduce heavy migration to urban areas, or otherwise encourage a better distribution of population.

- Despite heavy migration in recent years Africa still has one of the lowest levels of urbanization, with only one in three people living in towns, against nearly one in two for the world as a whole.

- Total fertility rates remain unchanged in the majority of countries. Only in 12 countries, over half of them in North Africa, has there been a decrease.

- Death rates in all countries fell between 1980-85 and 1986-90. However, child and maternal mortality rates failed to show any dramatic fall.

The last has important consequences for population programmes. There is a close relationship between levels of fertility and infant mortality. It has been found that many developing countries begin to experience a significant decline in fertility rates when the under-5 mortality rate falls into the general range of 100-150 deaths per 1,000 live births. However, by the end of the 1980s more than 30 African countries had child mortality rates of 150 or higher, while less than 10 were close to or below 100 deaths per 1,000 live births.

Women must have more control over their own fertility.

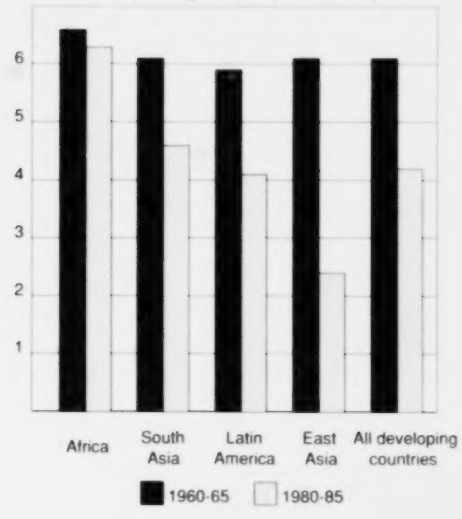
Women's disadvantaged position with respect to education, employment, access to resources and decision-making power has also been a major obstacle for reduction in fertility rates and thereby population growth. Cultural resistance and lack of information on family planning methods and services continue to limit women's access, despite the majority of countries having adopted laws and policies to promote the status of women.

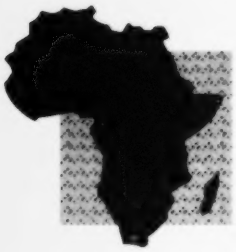
Some countries have succeeded in making progress. Botswana, Mauritius and Zimbabwe all report a high incidence of contraceptive use. Djibouti, Mauritius, Somalia and a number of North African countries have experienced falling rates of population growth in the second half of the 1980s.

Priorities for the 1990s

Much remains to be done. In the majority of African countries there is still a dire need for demographic survey information, as well as socio-cultural research data, including changes in the status of women, UNFPA says. Demographic policies and implementing machinery need to be strengthened and fully integrated into longer term development planning. Public awareness of family planning services has increased, but more needs to be done, particularly in rural areas. With a few exceptions, government structures for formulating information strategies on population issues are non-existent. And above all there is an urgent need to increase the number of trained personnel and improve the health and family planning infrastructure in the majority of African countries. ■

Fertility rates
(average births per woman)





One of the priorities of UNPAAERD was to counter the impact of drought and desertification in Africa. However, many governments have been compelled to pay more attention to short-term management of their economic crisis than to long-term environmental protection. Under pressure to generate more foreign exchange, countries implementing structural adjustment programmes have increased production for export in their mineral and timber sectors, as well as greater production of export cash crops, such as groundnuts and cotton in Sahelian countries. Rapid population growth has also meant greater pressure on existing patterns of land use. The results have included inadequate replacement of renewable resources (primarily through deforestation), and the displacement of subsistence food farming and pastoralism onto more marginal lands, which then deteriorate further. The overall effect has been faster degradation of Africa's environment at a time of increasing awareness that its protection, as well as improved management of the continent's natural resources, is vital to sustainable development.

By 1980, Africa was losing some 2.3 million hectares of open woodland a year (out of world losses of 3.8 million hectares). This rate probably increased during the 1980s.

Africa loses over 3.8 million hectares of forest every year, less than in South America and Asia. Africa's reforestation rate (9.2 per cent) is better than South America's but far worse than Asia's.

By 1980, Africa was losing some 2.3 million hectares of open woodland a year (out of world losses of 3.8 million hectares). This rate probably increased during the 1980s.

By the early 1980s, Africa had 37 per cent of the world's drylands (hyper-arid, or desert; semi-arid; and arid), and the rate of desertification appears to be accelerating. The worst affected regions centre on the Sahara, Kalahari and Namib deserts, and touch much of North Africa, West and Southwest Africa, stretching east to include Uganda, Kenya and Somalia.

In 1989, half the African governments responding to a questionnaire from the UN Sudano-Sahelian Office said drought and desertification had become significantly worse since 1986 in terms of falling groundwater levels, drying up of surface water, rangeland degradation, deterioration of rainfed and irrigated cropland, and deforestation.

At current trends, soil erosion could lower agricultural output in Africa by 25 per cent over the 1975-2000 period. Higher population density and pressure on land use has cut the average fallow period for cultivated land from 20-25 years to 5-10 years.

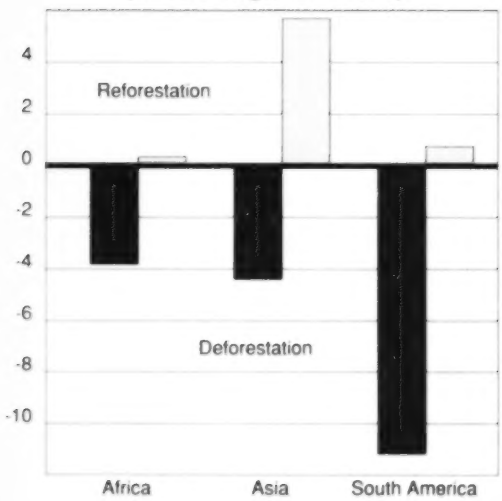
Most Africans depend on wood (and charcoal) for household fuel. With a fuelwood deficit estimated at about 72 mn cubic metres in 1980, Africa's needs could double by 2000.

When UNPAAERD was launched, Africa was just emerging from a period of drought, bushfires, famine and food shortages which affected half the continent. Civil strife, however, continued to generate large numbers of refugees and displaced people, putting additional strain on resources. With the return of widespread shortages of rain in 1990, and a projected increase in poverty during the 1990s, Africa is facing long-term problems for its people and its environment.

Virtually all African countries now have problems of varying degrees with deforestation, soil degradation and inadequate supply and distribution of water resources. Deforestation is continuing at such a pace that on average, only 9 trees are planted for every 100 that are cut down. In some countries fuelwood supplies will soon be exhausted unless massive replanting is undertaken.

The world is losing about 25 billion tonnes of topsoil every year, and in many regions, the rate of loss exceeds the rate of soil formation at least tenfold. North and Central Africa are among the areas of the world where cultivation of steep marginal lands, reduced forest and vegetative cover, and improper irrigation are expected to accelerate the rate of erosion and degradation of soils. The results that have already been observed include low crop yields, deterioration in the water retention capacity of soils, and falling soil fertility in a cycle of falling

Deforestation and reforestation in the 1980s
(annual average; mn hectares)



productivity and diminishing ability to sustain human life even as population growth increases demand for land and food.

Three-quarters of African countries have responded by developing policies of energy and natural resources management, while 10 countries now have specific policies for more efficient use of wood and charcoal, as well as for harnessing renewable energy sources. Efforts have also been made to encourage various techniques for soil protection and enhancement such as terracing, contour ploughing, crop rotation, and greater fertilizer use, as well as afforestation programmes (including fuelwood and community plantations). However, most African governments also lack financial resources to make sustained progress in the fight against desertification and other environmental degradation.

Priorities for the 1990s

A growing number of African countries are developing strategies and action plans for resource management, with help from multilateral donors. A particular focus is on developing information systems for national planning and decision-making through expanded hydrometeorological networks, data processing and analysis, and their application to land use and agricultural practices. There is increasing emphasis on integrating land-use (including forestry, and pastoral rights), water resource development, and conservation, in a sustainable framework for long-term development.

National and international efforts are also aiming at strengthening regional organizations such as the Permanent Inter-State Committee on Drought Control in the Sahel in West Africa (CILSS), in East Africa, the Inter-governmental Authority on Drought and Development (IGADD), the Southern African Development Coordination Conference (SADCC), and the Preferential Trade Area for Eastern and Southern Africa (PTA). Other organizations include the International Institute of Tropical Agriculture, and the International Livestock Centre for Africa. These institutions all play a role in promoting afforestation, agricultural research, and the joint exploration and use of energy resources through training and research programmes on a regional basis.

Further impetus for regional cooperation comes from the fact that large inland waterways already have inter-governmental organizations charged with managing and protecting natural resources, such as the Lake Chad Basin Commission and the Senegal River Development Organization. At national level, water resource management is receiving growing priority, with several UN agencies helping in improving rainwater collection and conservation.

The twin imperatives for Africa of protecting the environment and increasing agricultural output in a sustainable manner will require the conscious and active participation of local communities. There is a growing consensus that without them, national governments, non-governmental and international organizations will be unable to make the transition from isolated short-term projects to the long-term, integrated programmes for environmental protection that Africa needs.

International efforts are now geared towards tackling a broad agenda at the UN Conference on Environment and Development in Brazil in June 1992. With Africa already in deep economic crisis, and facing significant increases in both population and poverty levels, the continent has welcomed the joining together of the two issues of environment and development at the top of the international agenda, under the now common understanding that one cannot be resolved at the expense of the other. ■

Cutting firewood is devastating Africa's woodlands, but is the only source of fuel for most people.

TECHNICAL COOPERATION

Africa's persistent crisis has raised fundamental questions about the effectiveness of foreign aid in promoting sustainable development. One area of particular concern has been technical cooperation, which takes up a quarter of all aid and is meant to develop national skills and transfer knowledge. While Africa has remained largely dependent on costly foreign experts and advice since independence, the "braindrain" of African expertise has continued, and even intensified during the 1980s, even as the continent's pursuit of self-sustaining development continues. Donors have acknowledged serious shortcomings in the costly aid programmes of the past 30 years. African and donor countries have also come to agree that aid would be more effective if Africans played a greater role in the design of projects and programmes, and in their implementation.

100,000 foreign consultants work in Africa at a cost of some $8 billion a year. Efforts are increasing now to employ more of the 100,000 African professionals working outside the continent.

- A quarter of all aid to Africa from major bilateral donors is in the form of technical cooperation. Such aid to Africa from all sources is about $8 billion a year, according to the UN Development Programme (UNDP), the leading UN source of technical cooperation financing.

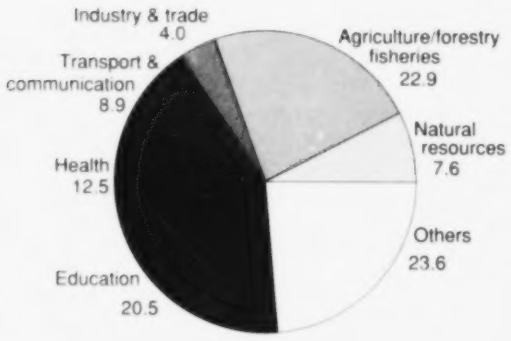
- These billions of dollars pay for the services of roughly 100,000 foreign consultants who are meant to transfer skills and knowledge to indigenous counterparts, assist in formulating and implementing policy, and in managing development programmes.

- At the same time, there are roughly 100,000 African professionals working in Western Europe and North America, while the skills of African professionals at home are often underutilized.

- The total salaries and overheads for these expatriate consultants approach and sometimes exceed the total civil service wage bill in some African countries.

- The overall costs of technical cooperation projects could be cut by 30-50 per cent if more indigenous consultants were used, says the World Bank.

Technical assistance to sub-Saharan Africa
(1988, % shares; excl. Nigeria)



Africa receives more technical cooperation than any other world region, taking, for example, 42 per cent of 1990 spending by the UN's Department of Technical Cooperation for Development, 40-45 per cent of the International Monetary Fund's current $40 mn annual budget for technical cooperation, and 40 per cent of UNCTAD's annual technical cooperation spending. Technical cooperation also took a higher proportion of World Bank lending to Africa than to any other world region during the 1980s. The biggest area of technical cooperation in Africa in 1988 — taking 23.6 per cent of the total— was also the least well-defined, involving broad policy formulation across sectors. This was followed by agriculture (22.9 per cent), education (20.5 per cent), and health (12.5 per cent).

Major factors that have impeded the effectiveness of technical cooperation include the lack of planning and coordination, and the weakness of management. Donors have in some instances competed for the adoption of their own programmes and projects, leading to a multiplicity of consultants, duplication of effort, and sometimes conflicting advice. There has also been an increase in technical cooperation tied to structural adjustment programmes, which African countries see as a reduction of their policy options. They have also complained of a decrease in the quality of foreign experts. At the same time, African governmental structures for handling technical cooperation have usually been weak and inadequately staffed. These problems have resulted in poorly designed and often short-lived projects that are badly coordinated, inadequately monitored, and produce intangible results.

Among the initiatives taken during the UNPAAERD period to improve the effectiveness of foreign aid, is the UNDP's National Technical Cooperation Assessment and Programmes (NaTCAP), which are designed to help strengthen domestic planning, coordination and management of technical cooperation within the framework of national development priorities and objectives. Some 30 African countries are at various stages of the NaTCAP process, and the evaluation and planning of current and future technical cooperation now form part of World Bank consultative group and UNDP roundtable meetings for African countries.

The UN and other multilateral organizations have responded to Africa's urgent need to develop human and institutional resources with projects and programmes for improved policy formulation and implementation. These include the Africa Initiative (co-financed by the UN and Japan); the UNDP's Management Development Programme, and its Special Action Programme for Administration and Management in Africa; the Amsco programme and the African Capacity Building Initiative (which link UNDP, the World Bank and the African Development Bank).

Another notable initiative is UNDP's Structural Adjustment Advisory Teams for Africa, involving assistance in macro-economic policy formulation. The UN's Department of Technical Cooperation for Development (DTCD) is also running several programmes in Africa monitoring the impact of adjustment programmes on the social and other sectors, as well as for human resource and investment planning.

One area of major effort is the promotion of technical cooperation between African and other developing regions, notably by DTCD, UNDP and the UN Conference on Trade and Development (UNCTAD). Greater South-South cooperation is seen as having vast but untapped potential, particularly in helping reverse the "braindrain" by making better use of local expertise. UNDP, for example, reports that it recruited 326 sub-Saharan African consultants in 1986, a number which grew to 1,269 by 1990. NaTCAPs can play an important role here, as they start out by gathering and evaluating data on technical cooperation needs and local capacities, and aim in the long-term to use indigenous expertise to the full. Improved planning and coordination of technical cooperation at the national level can also be applied to regional and South-South cooperation.

African institutions have also been developing regional initiatives in technical cooperation. The UN's Economic Commission for Africa maintains the Pan-African Development Information System (PADIS), which collects data useful for development activities, as well as updating every two years its directory of African experts and consultancy organizations. The African Development Bank has also made loans to sub-regional institutions to finance African bilateral investment ventures, and projects in one country that use goods and services from another African country.

Bridge building; an important element in technical cooperation.

Priorities for the 1990s

There is broad consensus that the priorities for more effective technical cooperation include: greater emphasis on long-term institutional goals rather than short-term project goals; a more collaborative relationship, with African countries participating fully at all stages of design and implementation of technical cooperation; and a more cost-effective approach through the use of volunteers, non-governmental organizations, and twinning arrangements.

Other priorities include the improvement of management capacities in both public and private sectors; a more active role for women as partners and beneficiaries of technical cooperation; and greater reliance on periodic visits from short-term consultants and advisers, rather than long-term residential experts.

During the UNPAAERD period, African and donor countries have increasingly emphasized that technical cooperation must promote sustainable long-term development, while aid in general must invest more in human resources. In view of Africa's continuing crisis, as well as the uncertainty of future foreign aid flows, there is a consensus on making faster progress in enabling Africa to train its personnel more fully to meet the recurrent challenges of development. ■

NON-GOVERNMENTAL ORGANIZATIONS

Non-governmental organizations (NGOs) played a vital role in African recovery efforts during the UNPAAERD period, their humanitarian focus and grassroots presence making them indispensable to Africa's development. The growing role of NGOs reflected changing development priorities, with the emphasis shifting away from large-scale capital projects towards an approach which is more people-centred and more concerned with enabling the development of "human resources" — an approach in which NGOs, both in the North and in Africa, have gained considerable experience and insight. The UN Special Session on Africa in 1986, which representatives from more than 200 African and Northern NGOs attended, played a catalytic role in facilitating the emergence of African NGOs on to the world stage, and in giving enhanced credibility and legitimacy to the emergent African NGO community.

By 1989, non-governmental organizations were providing more than half of all total private financial flows to Africa.

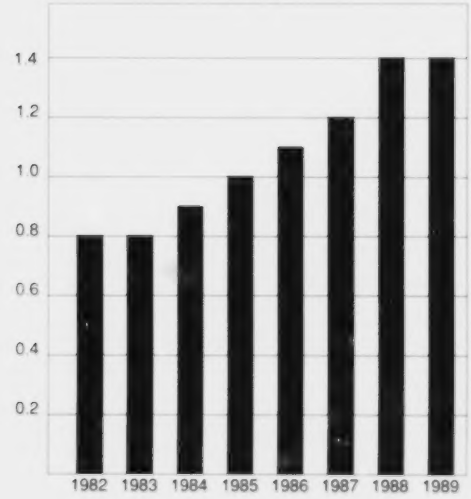
- Indigenous African NGOs built up considerable experience of effective people-focused development projects and programmes. Their capacity to foster popular participation and mobilization for development enabled them to contribute significantly to the formulation and implementation of development policies, particularly those oriented towards the poorest groups.

- Financial flows from Northern NGOs became an increasingly important element of the total resource picture for Africa during the UNPAAERD years. According to the Organization for Economic Cooperation and Development (OECD), net grants from NGOs rose from less than $1 bn in the first half of the 1980s to $1.4 bn in 1989, more than half of total private flows to Africa.

- In addition, in the latter part of the UNPAAERD period, Northern NGOs were channelling some $1.5 bn a year to Africa from public funds. In this period, some 45 per cent of total NGO-mobilized resources were going to Africa and, as grants, were contributing very positively to the region's resource gap.

- NGOs have been key players in responding to Africa's many emergencies during the 1986-90 period. Able, in many instances, to assist where inter-governmental agencies have been prevented from working, NGOs have contributed significantly in terms of food, medical support, shelter and other logistical services to easing suffering in regions devastated by war, famine or other natural disasters.

Net grants to Africa from NGOs
($ bn)



The NGO contribution to Africa's recovery and development during UNPAAERD has been multifaceted: in addition to mobilizing resources for development projects and programmes in Africa and contributing humanitarian assistance in emergency situations, NGOs also played an influential role in donor countries, undertaking education and advocacy work which sought more responsive action by bilateral and multilateral donors to meet the development needs of African people. In this effort, the UN Non-Governmental Liaison Service (NGLS) played a vital role in facilitating NGO participation in UNPAAERD and also in keeping the NGO community abreast of the international policy dialogue on Africa.

In addition to mobilizing public opinion around such issues as aid flows and debt reduction, NGOs, both African and non-African, have frequently been the source of new insights on development policies and approaches. Through national, regional, international and multilateral processes, such as UNPAAERD, NGOs engaged in advocacy work in support of development policies and approaches which reflected these insights. Priority issues for NGO work have included resource flows to Africa and Africa's debt burden, popular participation, African food security, women's contribution to Africa's development, peace issues, alternative sustainable development policies, improving the image of Africa in the North and

responding to the political and economic marginalization of Africa in the international arena.

NGOs welcomed the overall thrust of UNPAAERD even though it fell disappointingly short of their expectations with regard to firm commitments by donors towards increasing resource flows for Africa. This notwithstanding, NGOs, African and Northern, have sustained and increased their involvement in processes and events set in motion by the implementation of UNPAAERD.

An NGO-inspired event during the implementation of the UNPAAERD period was the joint UN-NGO Conference on Popular Participation in African Recovery and Development which took place in Arusha, Tanzania, in February 1990. It was jointly planned, sponsored, financed and executed by NGOs and UN agencies and was possibly the first in which UN agencies, governments and NGOs participated on an equal footing.

The conference marked a watershed in UN-NGO collaboration, bringing together the largest number of African development NGOs ever assembled on the continent. The adoption of the African Charter on Popular Participation, which was subsequently endorsed by both the Organization of African Unity and the UN General Assembly, was a substantial achievement, providing a policy base and framework for follow-up in Africa, the developed countries and the multilateral system.

UN Africa Recovery

People power. NGOs at the UN-sponsored Arusha Conference on Popular Participation.

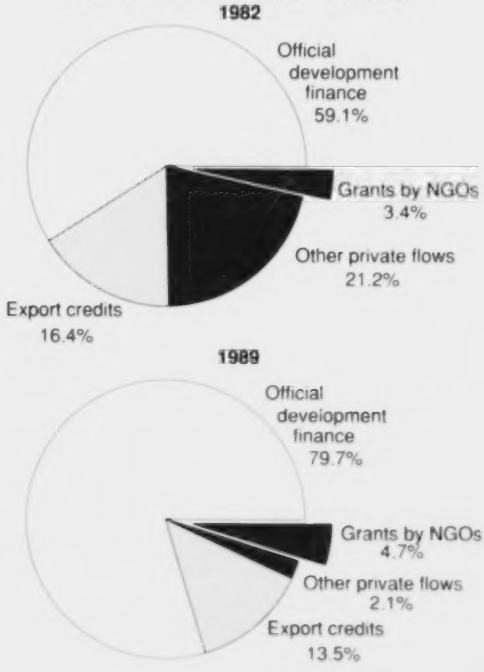
Priorities for the 1990s

UNPAAERD has provided impetus for an improved working relationship between African and Northern NGOs. The African Charter on Popular Participation recommends that Northern NGOs utilize African expertise to the full in both project and advocacy work; it also urges Northern NGOs to strengthen their own capacity to monitor governments and donor agencies in order to render them accountable for their actions and policies towards Africa.

In their review of UNPAAERD, African and non-African NGOs list a number of areas for priority action for African governments and the international community. These include:

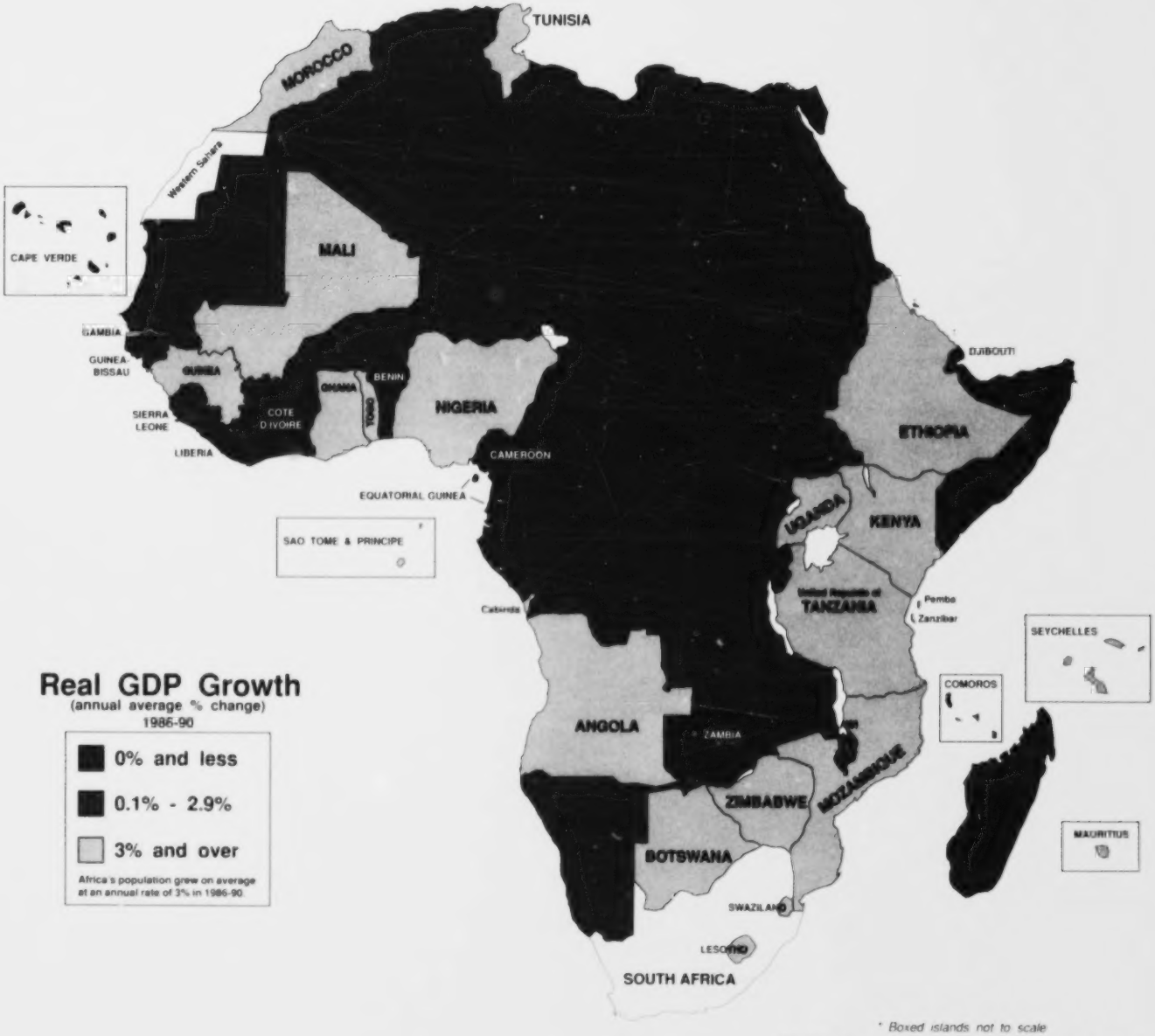
- Immediate establishment of the regional and national follow-up mechanisms for implementing the Arusha Charter on Popular Participation.
- The cancelling of all official debt — both bilateral and multilateral — of African countries.
- The adoption of economic adjustment programmes which are designed by Africa and which respect the values, needs, culture and aspirations of African people.
- Measures to assist African countries in diversifying their economies.
- And ending war and conflict in the region. On this point, NGOs have called for a UN-sponsored international conference on ways to control the arms trade.

Net resource flows to Africa



AFRICA'S GROWTH RECORD

1986-90



* Boxed islands not to scale

The boundaries and names shown on this map do not imply official endorsement or acceptance by the United Nations.

MAP NO. 3643 UNITED NATIONS August 1991

UNDP, ADB URGE MILITARY CUTS

Funding human development

Although Africa and other developing regions require more effective international assistance to further their human development goals, much additional financing can be found from within the countries themselves, argues the UN Development Programme (UNDP) in a recent study. "There is no paucity of financial resources in most national budgets if the political will is there to restructure existing priorities," says Dr. Mahbub ul Haq, who oversaw the work on the *Human Development Report 1991*.

Besides reducing economic inefficiencies, corruption and capital flight, cutting military spending in developing countries offers one way in which funds can be released for health, education and other social sectors, stresses the report. Even merely freezing existing military budgets could make available more than $10 bn a year that would otherwise be used by the armed forces if military expenditures continued to grow at their current rate. And if the industrial countries reduced their military spending by just 3 per cent annually, an additional $25 bn a year would be released.

In a similar vein, the African Development Bank (ADB), in a special section on human resources in its *African Development Report 1991*, compares military and health budgets in 14 African countries. It points out that the ratio of military to health expenditures has reached 231 in Chad, 165 in Ethiopia, 323 in Uganda and 250 in Zaire. Stressing that greater resources need to be found to increase health spending to at least 2 per cent of gross national product (GNP), the ADB report noted that "the source of this extra money is obvious."

Priorities should shift from urban to rural, from tertiary to primary sectors and from the well-off to the poor.

Although some African countries allocate a significant portion of their budgets to military expenditures, the pattern for sub-Saharan Africa as a whole is not as pronounced as in most other developing regions. Only Latin America spends less on arms and military forces than on health and education, according to the *Human Development Report*.

Shifts in budgetary priorities are vital if human resources — the foundation of the development process — are to be adequately strengthened, says the UNDP report. It recommends that spending reach the equivalent of at least 5 per cent of GNP for the "human priority" areas — which in the poorer countries will generally include basic education, primary health care and the extension of basic water systems to disadvantaged urban and rural areas.

The ADB study, for its part, suggests a figure of 6 per cent of gross domestic product for health and education spending. In addition, it proposes a reallocation of budgetary expenditure, investment and credit, shifting the priorities from urban to rural, from tertiary to primary sectors and from the well-off to the poor. Taken together, such policy initiatives will help African countries advance toward such goals as food self-sufficiency, a doubling of adult literacy — while eliminating the female differential — universal primary school enrolment and extension of primary health care to the villages.

Greater production energies can also be released by setting up local networks of child-care clubs to free up women's labour time and establishing small-scale employment-creation and vocational training schemes, says the *African Development Report*. These will largely depend on local resources, but development finance institutions, such as the ADB itself, should find ways to finance local self-help projects.

The UNDP believes that donors in general can mobilize more resources for human development by "restructuring their aid budgets." The *Human Development Report* notes that on average, only one-twelfth of official development assistance is now earmarked for human priority goals. Moreover, donor performance in this area is highly uneven, with the Nordic countries devoting about eight times as much of their GNP for aid to human priority concerns as does the US, for example.

Each donor country should earmark at least 20 per cent of its aid for social sectors, says the report, and within that amount it should allocate at least 40 per cent for the human priorities. Such a restructuring can have a major impact in Africa, where external aid constitutes a high proportion of the development budgets of many countries.

In analyzing human development needs, the UNDP study ranks 160 countries, not according to their relative per capita incomes, as other reports on world development often do, but according to their success in alleviating poverty and in providing adequate health care, education and nutrition to their people, as measured by a composite Human Development Index (HDI). "People should be put at the centre of development, and not just income," says Dr. Haq.

Dr Mahbub ul Haq, Special Adviser to the UNDP administrator, who oversaw the work on the *Human Development Report*.

Some countries with relatively higher per capita incomes scored poorly in human development, while some others, with low per capita incomes, made impressive improvements in literacy, child survival and other social indicators.

Considerable variations also occurred when gender and income-distribution factors were taken into account. Of 30 countries for which enough information was available for the UNDP to derive a "gender sensitive" HDI, only one — Kenya — was African. While all 30 countries fell in their human development ratings when sexual disparities were considered, Kenya fell the most. Of six African countries included in a sample of 53 for which the HDI was adjusted for income distribution, all dropped to some degree, with Côte d'Ivoire registering the greatest decline in Africa.

Although Africa has made considerable progress in human development since the 1960s, it still has the lowest human indicators in the world. Nevertheless, stresses UNDP, "The potential is there. Africa has the people and natural resources to create a much more prosperous future. But it will require substantial human investment, as well as a major restructuring of economic policies." ■

UN REPORT HIGHLIGHTS 'GRAVE' SITUATION

Hard work, small gain for women in Africa

By Daphne Topouzis

Despite the large economic and social role that women play on the continent, "the situation for women in Africa remains grave," concludes a new UN report surveying changes in women's status worldwide over the past two decades. As factors, it cites the limited progress in Africa in narrowing the vast differences between men and women in most economic, social and political indicators and the impact of the economic crisis, especially in sub-Saharan Africa.

This predicament, notes *The World's Women 1970-1990: Trends and Statistics*,* contrasts sharply with the considerable gains women made in most other developing regions in the 1970s and 1980s.

The lack of more significant progress for African women, says the survey, is due to "major gaps in policy, investment and savings," which it says prevents women "from performing to their full potential in social, economic and political life." While a general problem throughout the developing world, women are particularly affected by such gaps in Africa, where they are the dominant producers in subsistence agriculture, a sector usually given little emphasis in development strategies.

"Women have always been very significant in Africa," argues AnneMarie Beulink, president of the Liaison Committee of Development non-governmental organizations to the European Community, commenting on the findings in the UN report. "But they became virtually invisible to development planners." What is necessary, she says, is that women be put at the centre of the decision-making process in order to influence policies, a point also emphasized in the report.

According to the study, health and education indicators for women in sub-Saharan Africa "are still far from even minimally acceptable levels in most countries," while modest gains have been seriously undermined by economic decline and rapid population growth. The study reports that:

- Maternal mortality remains a leading cause of death for women in Africa, with an average rate of nearly 650 deaths per 100,000 live births, significantly higher than in all other developing regions, with the exception of southern Asia. The reasons for Africa's high rates are multiple. Only 38 per cent of births are assisted by trained attendants. Almost half of all women and two-thirds of pregnant women in Africa are anaemic. Adolescent pregnancies are endemic across the continent. Women have too many children, too early and too late in their reproductive cycles. With an average of 6.2 births per woman, fertility rates in

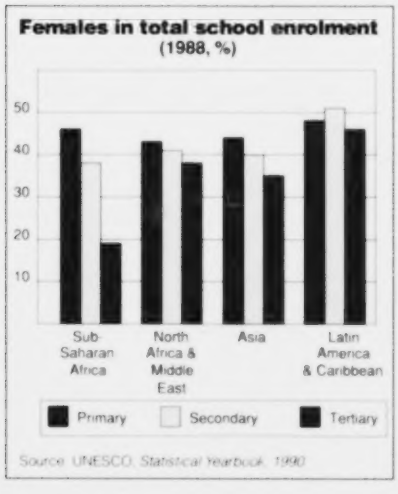
Making a bund against soil erosion in Burkina Faso. Women are the dominant producers in subsistence agriculture, a sector usually given little emphasis in development strategies.

** A collaborative effort of UNICEF, the UN Development Fund for Women (UNIFEM), the UN Population Fund, the UN Division for the Advancement of Women, the International Research and Training Institute for the Advancement of Women and the UN Development Programme, using data compiled and prepared by the Statistical Office of the UN's Department of International Economic and Social Affairs.*

sub-Saharan Africa remain the highest in the world.

- Nearly two-thirds of women over 25 years of age south of the Sahara are illiterate, with even higher rates in rural areas, while the gap in literacy rates between men and women is among the largest in the world.
- The goal of universal primary education for girls is being achieved almost everywhere except in sub-Saharan Africa.
- Female participation in secondary school, advanced training and higher education south of the Sahara is very low. Women make up less than 30 per cent of students in higher education across most of sub-Saharan Africa.
- AIDS is rapidly becoming a major threat for African women. In some countries up to 40 per cent of women between the ages of 30 and 39 could be infected.

By contrast, health and education conditions for women in northern Africa have improved markedly. With the exception of Sudan, maternal mortality rates in the region have been reduced to under 320 and as low as 80 in Libya. Female life expectancy has risen by at least 10 years since 1970 to over 62 years. A considerable decline in fertility rates has been achieved, from 7 births per woman in 1965-70 to about 5.5 per cent in 1985-90. In addition, the gap between first and second-level education for women is diminishing, while in higher education the ratio of male/female enrolment has increased significantly, yet is still at only 51 for every 100 men enrolled.



African women work as much as 13 hours more per week than men, the study notes, and in sharp contrast to the rest of the world, they continue to work when they are past the age of 60. The lack of access to water, sanitation, electricity and other essential services poses an enormous burden on African women, who are responsible for the provision of water for drinking and sanitation, and fuelwood.

In rural areas in particular, the number of female-headed households has increased markedly. Often, men who migrate to the cities do not return to their villages, nor do they send remittances to their wives, effectively leaving them to fend for large families with no resources.

Women's economic participation and contribution receives special attention in the report. The statistics reflect the International Labour Organization's expanded 1982 definition of economic activity, which goes beyond formal sector employment to encompass all production and processing of agricultural products, whether for the market, for barter or for home consumption. To cite just one example of the difference this can make: in Benin, using the old definition, women were deemed to constitute only 14 per cent of the total agricultural labour force in 1970, but in 1986, by the new standard, they are actually half the total.

According to the study, nearly 80 per cent of economically active women in sub-Saharan Africa are engaged in agriculture, compared to under 40 per cent in northern Africa. For the continent as a whole, 35 per cent of women in agriculture are employers or own-account workers. Nevertheless, women farmers have almost no contact with extension services.

Wage labour employment has been dominated by men across the continent, with women comprising only 30 per cent of the sector. Typically, women have been relegated to lower-paid technical professions, clerical jobs, services and sales and have largely been excluded from manufacturing, transport, administration and management jobs. Not surprisingly, their wages are significantly lower than men's, with great disparities in Egypt (64 per cent of men's wages), Swaziland (73 per cent) and Kenya (76 per cent), and the least in Tanzania (92 per cent).

Sub-Saharan Africa is the only region in the developing world where women's share in the labour force declined, from 39 per cent in 1970 to 37 per cent in 1990. Today the growth in the female labour force has fallen well behind population growth.

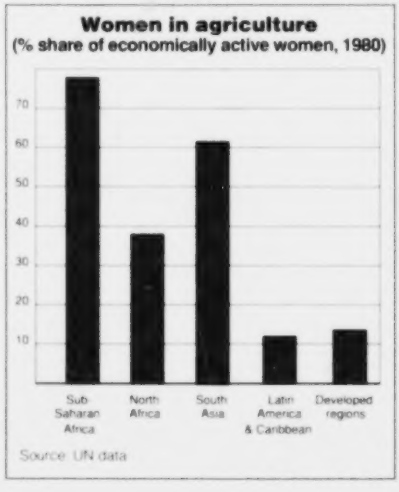
New policies needed

Unemployment, drought, and economic decline in the 1980s forced many African women to the informal sector. Nearly 60 per cent of economically active women south of the Sahara are self-employed — by far the highest rate in the world.

African women work as much as 13 hours more per week than men, and in sharp contrast to the rest of the world, they continue to work past the age of 60. They have largely been excluded from manufacturing, transport, administration and management jobs. Not surprisingly, their wages are significantly lower than men's.

To improve women's opportunities in Africa and elsewhere, argues the report, new laws are needed to enable women to own and manage productive resources, to enter into contracts and to be able to do the many other things men do in their daily working lives. New policies are also needed, to explicitly address the special requirements of women for basic infrastructure, for access to credit and markets, for technology and training and for child care.

"This would cost little," observes the report, "but requires nothing short of a revolution in the way decisions are made in government, in business and in the household." ■



World Bank predicts slow growth

The prospects for Africa during the 1990s remain grim, according to two recent World Bank reports. In its "most likely" projections for the coming decade, per capita incomes in sub-Saharan Africa will rise only between 0.3-0.5 per cent a year compared with a developing country average of 2.2-2.9 per cent. The Bank's most optimistic scenario has per capita incomes rising by just over 1 per cent a year, though even this is less than East Asia's growth in the Bank's low-growth scenario.

African countries undergoing adjustment are showing the first tentative signs of economic recovery, says the Bank's latest *World Development Report*, which reviews 40 years of development experience. It argues that countries with "market-friendly" policies, in which governments intervened only minimally, have fared best. "In 1990, low-income countries implementing adjustment programmes grew an average of 4-5 percentage points faster than those not undertaking economic reform," then Bank president Mr. Barber Conable told the Organization of African Unity summit in early June.

Several studies have found a strong association between adjustment programmes and improvements in the balance of payments, but the effects on growth are less clear.

World Bank

African countries must invest in people and improve the climate for enterprise.

However, even adjusting countries will be hit by a more difficult international environment. In its *Global Economic Prospects and the Developing Countries*, the Bank outlines four possible scenarios. If the worst case should materialize — and the Bank concedes that predictions in previous reports "were generally too hopeful" — incomes in sub-Saharan Africa will continue to fall, with a corresponding rise in the proportion of poor people.

Ominously, the decade has started off with the worst-case situation. According to the Bank, gross domestic product (GDP) per capita fell by 1.7 and 0.9 per cent in sub-Saharan Africa in 1990 and 1991 respectively. Even the relative upturn projected for 1992 will still mean a fall of 0.1 per cent. This trend is confirmed in the latest issue of the UN's *World Economic Survey*, which estimates that per capita incomes in Africa will again decline in 1992.

For African countries carrying out adjustment the Bank projects GDP growth of 4 per cent a year in its most likely scenario, against 3.5 per cent for sub-Saharan Africa as a whole. Even in the worst-case situation of slow industrial country growth and higher oil prices, growth in adjusting countries, at 3.2 per cent, would keep marginally ahead of population. In the high-case situation, with higher commodity prices, growth in adjusting low-income Africa would average around 5.6 per cent.

The Bank continues to argue the case for adjustment, but concedes that the evidence from the 1980s is mixed. In the short run, the stabilization measures of early adjustment programmes can lower output, it says, and the benefits from them and from structural reform take a lot longer to come through. "Several studies," the *World Development Report* says, "have found a strong association between adjustment programmes and improvements in the balance of payments, but the effects on growth are less clear." Evaluation of their social impact is equally "inconclusive." While maybe not sufficient, macroeconomic stability is nevertheless necessary for sustainable growth, though choices must be made on the range, timing and speed of adjustment.

If the quality of economic management is "what matters most," the Report adds that global economic conditions are important in shaping prospects for developing countries. Adverse terms of trade and high interest rates were equivalent to some 10 per cent of sub-Saharan Africa's GDP during the 1980s. And while African economies are vulnerable to external changes, they benefit relatively little from high growth in industrial countries. This, the Bank argues, is because the demand for their raw material exports expands relatively slowly and because of the erosion of "export capacity" during the 1980s, an observation which seems to challenge the present priorities attached to stimulating traditional exports.

The experience of the 1980s, which saw declining and more volatile commodity prices, suggests that commodity exporters, "especially if they are poor and indebted, face serious problems," the Bank's *Global Prospects* says. Non-fuel commodity prices in the 1990s, at best, will rise only modestly in real terms. Even in the high-case scenario, prices in 2000 would still be below their 1979-81 average. For non-oil, low-income Africa, "the terms of trade risk is not only large but skewed downward," says the Bank.

An adequate supply of external capital is therefore "essential" if development is to take place. However, the global supply of such aid is likely to remain "rigid," the Bank says. Industrial countries must make more resources available to developing countries, the *World Development Report* says, through such measures as fewer trade restrictions; reforms of their own macroeconomic policies to ensure steady and non-inflationary growth; and both more aid and greater debt relief, particularly for non-official debt of low-income countries and official debt of lower middle-income countries.

Such international action would complement appropriate policies in developing countries. Claiming a growing consensus, the Bank argues that "competitive markets are the best way yet found for efficiently organizing the production and distribution of goods and services." But it also acknowledges that markets cannot work in a vacuum. At times, government intervention is essential for development and to set out the regulatory framework in which market forces can work.

Government investment is needed for infrastructure, essential social services (especially for the poor, and including food subsidies), and environmental protection. "Everywhere, well-designed safety nets are essential to protect the most vulnerable from the short-term costs of reform," the Report says. "When markets and governments have worked in harness, the results have been spectacular, but when they have worked in opposition, the results have been disastrous," the Report says, pointing to the latter as Africa's main experience for much of the last 20 years.

But the key question, the Bank acknowledges in *Global Prospects*, is "the ability of governments to implement structural reforms even as the global economy enters a turbulent phase." As the Bank argues, "the composition of Africa's sources of external finance reinforces the composition of its production, exports, and debt in limiting Africa's growth opportunities in the medium term." ■

Donors push for good governance

"Political freedoms, and civil liberties — such as a free press and the free flow of information — seem to be associated with progress in health and education in large groups of countries," says the World Bank's World Development Report, though it can find no evidence to suggest that any particular form of government is better at fostering economic growth than any other.

The UN Development Programme (UNDP) in this year's Human Development Report (see page 45), also argues that recent development experience suggests that a high level of political freedom can help unleash "the creative energies of the people." The report included, for the first time, a controversial "human freedom index" ranking 88 countries against 40 criteria such as multiparty elections, press freedoms, the rule of law, and opportunities for gender and ethnic equality.

The reports come amid growing calls from donors for "good governance," including greater democracy, to be taken into consideration in the allocation of aid, and equally growing concern from many developing countries that this could lead to yet further conditionality and political interference. Discussion on UNDP's "human freedom index" at the UNDP's Governing Council in June reflected such concerns. Developing countries questioned the index's accuracy, particularly the kinds of indicators used, some of which were said to reflect a cultural bias. They also expressed concern that aid levels could become determined by a country's ranking on the index. UNDP Administrator William Draper acknowledged that the index needed to be improved, using criteria that are more universally accepted. He also asserted that the index would not become the basis for determining UNDP's aid programme.

The World Bank has made similar assurances. Speaking at the OAU summit in June, then World Bank president Mr. Barber Conable, stated that "the World Bank is not about to involve itself in the internal political affairs of any country or to introduce any new political conditionalities in its work." Nevertheless, he did emphasize the Bank's growing concern with "good governance" — defined as accountability, transparency, predictability, and adherence to the rule of law. As the competition for scarce resources becomes more intense, the Bank will be paying more attention to these aspects, Mr. Conable warned.

Such growing donor emphasis on the issue of governance comes despite warnings from many aid recipients that more conditionality threatens to be counter-productive, as overworked administrations struggle to implement already difficult and complex economic reform programmes.

At their economic summit in London, Western leaders urged developing countries to practise good governance, defined as including "democratic pluralism," as well as "sound, market-based economic policies," along with respect for human rights. "Good governance not only promotes development at home, but helps to attract external finance and investment from all sources," the Group of Seven communique said.

The United Kingdom has committed some $135 mn in aid money over the next two years to furthering 'good government.' The money is to be used to help reform central and local government structures, training for police, customs and civil servants, election monitoring and support for the media, human rights groups and other non-governmental organizations.

Explaining the UK's view in the London-based *Sunday Times*, Minister for Overseas Development Lynda Chalker argued that "ineffective policies and corruption can only be weeded out if governments are accountable through the ballot box and a free press...We are looking for at least a trend towards better government," Mrs. Chalker said. In Africa, the UK has already cut all but humanitarian aid to Sudan and Somalia, she said.

UK Secretary of State for Foreign and Commonwealth Affairs Douglas Hurd, who at a UN-sponsored conference last year specifically proposed linkage between aid levels and more democratic and pluralistic forms of government in developing countries, has recently written to the European Commission urging that these concerns should influence the Community's aid programmes. The UK is also expected to raise its concerns at the Commonwealth heads of government meeting in Harare in October.

LOOKING BEYOND UNPAAERD

North South debates Africa's challenges in '90s

Confronted by Africa's continuing economic crisis and the need for more effective international support to the continent's reform efforts, more than three dozen participants debated Africa's prospects during a North South Roundtable consultation held in Ottawa, Canada, on 17-18 June.

The questions discussed were broad and wide-ranging: What can Africa itself do in the face of its multiple crises? How can it find the external support it needs at a time when the continent no longer seems to attract significant interest among key donors? Why have none of the many initiatives taken to aid Africa — including the UN Programme of Action for African Economic Recovery and Development (UNPAAERD) — had an adequate impact?

One cannot demand that Africa move toward democracy while at the same time denying it the financial and other external support needed to revitalize its economies.

The high level of attendance — from Africa, from Northern non-governmental organizations, from the Washington-based multilateral financial institutions, from UN agencies, and by individual experts, researchers and academics — showed that despite Africa's growing international marginalization, its predicament is still a major concern for many in the development community.

Going up a down escalator

The discussions at the Roundtable, entitled "The Challenges of Africa in the '90s," reflected broad areas of agreement on some key questions, such as Africa's need to intensify its pursuit of human-centred development goals and to extend the process of democratization and popular participation in policy formulation. The changes underway across the continent also pose a challenge to Africa's external partners, many felt. One cannot demand that Africa move toward democracy while at the same time denying it the financial and other external support needed to revitalize its economies. It would be, in the words of one participant, as if Africans are struggling to walk up an escalator that is moving downward.

It was pointed out that, in the spirit of democracy, the international community must also learn to negotiate with Africa as an equal partner, and not seek to dictate terms.

For the continent to win the respect that would enable it to negotiate with its development partners on a more equal footing, African participants insisted most forcefully, it is necessary for Africa to "clean up its act." The pursuit of sound economic management and reform, and especially the advance of the democratization process, will do much to establish African governments' credibility, within Africa and abroad.

The Roundtable's often very frank discussion, facilitated by the off-the-record nature of the consultation, also reflected differences, particularly in participants' assessments of the causes of Africa's crisis, the efficacy of structural adjustment programmes and the most appropriate way in which the international community can or should respond.

For example, although most viewed Africa's present predicament as extremely serious and difficult, a few felt more emphasis should be placed on the grounds for optimism given by the economic reforms that have been adopted.

Participants also gave differing weights to the relative impact of external constraints and domestic impediments. Most believed that high debt servicing payments were draining away desperately needed financial resources. But some expressed the view that it was wrong to concentrate so much on external debt as an impediment to Africa's growth, arguing that even if debt payments were eliminated, the resulting savings would contribute what one participant estimated as only an addition of one-half percentage point to Africa's growth rate.

Several speakers highlighted the dangers for Africa of a continued over-reliance on export commodity earnings, given the deteriorating terms of trade for many of Africa's primary commodity exports.

Largely because of such unfavourable international factors, most participants felt, the 1986-90 UN African Recovery Programme was unable to achieve its objective of reviving the continent's growth and development. The programme did not reflect a genuine consensus and commitment among all the parties to it, and thus its implementation was not really attempted.

Clyde Sanger

Monique Landry, Canadian Minister of External Relations, addressing the Ottawa meeting.

Another factor was that UNPAAERD's focus on the need for longer-term structural transformation of African economies had been rapidly overtaken by short-term structural adjustment programmes.

Structural adjustment programmes, said one African speaker, from a country often held up as a model adjuster, "are destroying our countries" through a single-minded focus on exports as a panacea. If the industrial powers that mandated the international financial institutions understood this, he said, then there would be a chance to move forward. However, some other participants defended the adjustment process, as promoted by the World Bank and the International Monetary Fund (IMF), and saw signs that it was producing positive results.

Seeking to place Africa's situation in a longer-term perspective than the 1980s, an African participant noted that the continent had, in fact, "lost centuries," not just a decade, beginning with the era of the slave ships. That is one reason why the West has a historic responsibility to Africa, he asserted.

However, the fact that aid and other financial flows have not increased appreciably was cited by some as a prime reason for the growing sense of disillusionment in Africa about cooperation with the West. One African participant asserted strongly that it might in fact be better for the continent to engage in a "kind of delinking," to concentrate on developing its own capacities for development.

New culture of self-confidence

Many participants, while agreeing that Africa's macro-economic indicators were far from promising, nevertheless argued that the prevalent image abroad of a devastated and despairing Africa was inaccurate. Africans, they pointed out, were responding to their unprecedented economic and social deprivations in a highly creative manner at the grassroots and community levels. On the whole, the African people, through hard work and the establishment of self-help organizations, have developed a new culture of self-confidence which augurs well for the continent's future.

The populace, in many countries, has reacted against corruption and the personalization of political power, as well as against the decline in their living standards. In the process there has been a stripping away of illusions and the emergence of a greater sense of realism and responsibility, as more and more African citizens and communities come to realize that they cannot wait on governments and external agencies to bring development to them, but must achieve it primarily through their own efforts. Women have shown particular determination and ingenuity.

Participants generally agreed that, in order to improve Africa's image abroad, more should be done to highlight Africans' efforts and achievements, especially in seeking to protect the environment, improve children's health and education and advance women's economic and social status, which can find considerable sympathy and support in the North.

Debate on new compact

It was with a sober sense of realism about the difficult international prospects confronting Africa that the Roundtable participants approached the question of how a new compact or agreement between Africa and the international community, which is expected to emerge from the UN General Assembly review of UNPAAERD, might have a better chance of success than that Programme did.

It was broadly acknowledged that UNPAAERD had been too vague and all-encompassing, and that not all the parties to it had demonstrated a real commitment to its implementation. A few expressed the view that it would be better to have no agreement at all than to have one which papered over fundamental differences or which perpetuated an endless search for a consensus that did not exist. Most felt, however, that given the broad agreement on Africa's development goals for the 1990s, some new arrangement is possible, indeed, is necessary, and that the UN should continue to play a central role in monitoring Africa's economic progress.

Some maintained that a new compact, negotiated within a UN framework, might be most workable if it were limited in scope and did not attempt to incorporate the full range of issues affecting Africa. No matter what was agreed within the UN, they argued, the major trading powers would be unwilling to make substantive commitments on trade issues outside the Generalized Agreement on Tariffs and Trade (GATT) framework, or the creditors on debt issues outside the Paris and London Clubs. An agreement negotiated at the UN might therefore best serve as a political catalyst, designed to stimulate and influence other initiatives on Africa already under way.

Others felt strongly that it was vital to address all the key issues of concern to Africa, including contentious external issues such as debt and trade, both to highlight the central role they play and to emphasize the relative ineffectiveness of the measures taken so far to alleviate Africa's external constraints.

Pointing toward the desirability of more concrete commitments between African countries and their development partners, one of the background papers to the Roundtable proposed that these could take the form of "development contracts." Submitted by Norway's former development minister Mr Tom Vraalsen, and Mr Arve Ofstad and Mr. Arne Tostensen of the Christian Michelsen Institute in Oslo, the paper argued that such contracts, between one or more African and donor countries, should include "specific measurable long-term development objectives," with commitments on the African side of how these could be achieved and on the donor side of the resources that would be made available.

While views varied on whether such formal contracts would be feasible, there was agreement on the utility of exploring new mechanisms that could provide greater flexibility and concreteness to the negotiating process between Africa and its donors. ■

Copies of the Roundtable's report can be obtained by writing to the Chairman, Mr. Richard Jolly, UNICEF House, 3 UN Plaza, New York, NY 10017.

Africa needs expanded resource flows

In a background paper presented to the North South Roundtable, Prof. Gerald Helleiner of the University of Toronto argued forcefully that "there is no escape from the need for further external resource flows for sub-Saharan Africa in the 1990s." Since the prospects for fresh bank lending, foreign direct investment and even export credits are not very bright, Prof. Helleiner said, much of this would have to come through expanded official development assistance (ODA).

If all donors that have not yet reached the UN target of providing 0.7 per cent of their gross national product (GNP) in ODA did so, he estimated, total aid flows would rise by $62.7 bn a year, a significant portion of which could go towards Africa. If these same donors raised their ODA by only 0.1 per cent of GNP, an additional $17.3 bn a year would be generated.

In addition, while there has already been a significant redirection of aid toward Africa over the past two decades, Prof. Helleiner pointed out, there may be scope for more. For example, the US and Japan directed only 13.7 per cent and 14.6 per cent, respectively, of their aid to sub-Saharan Africa in 1988-89, compared to an average of 33.1 per cent for all donor countries belonging to the Development Assistance Committee (DAC) and 42.6 per cent for the UN agencies. If all the DAC bilateral donors attained the UN agencies' proportion, an extra $5 bn a year would flow to Africa, he estimated.

Enhanced debt relief can also do much to improve Africa's financing position, Prof. Helleiner argued. "Reducing the current external cash flow obligations and payments on debt account will probably be the most cost-effective form of official external resource transfer to Africa in the 1990s," he said.

Prof. Helleiner noted that net transfers from sub-Saharan Africa to the IMF have totalled more than $4 bn in 1984-90, "despite contrary statements of intent." He posed the question whether it might not be preferable, in the case of very low-income countries, to build new contingency financing arrangements into the longer-term financing programmes put together by the World Bank and other aid donors in World Bank consortia and UNDP Roundtables, and "allow the IMF to retreat to a relatively smaller role as a source of technical advice on monetary matters?"

AFRICA IN BRIEF

World Bank lending falls

Lending to sub-Saharan Africa by the World Bank fell 14 per cent in the last year, largely as a result of a sharp decline in commitments from its main — and more expensive — arm, the International Bank for Reconstruction and Development (IBRD). Total lending for the 1991 year to the end of June was $3.39 bn, according to the Bank's preliminary figures, compared with $3.93 bn in the 1990 financial year.

Lending from the concessional arm of the World Bank, the International Development Association (IDA), was virtually unchanged at $2.73 bn, compared with $2.79 bn in 1990. But loans from IBRD — which carry an interest rate of some 7.7 per cent — fell by nearly half to $663 mn, from $1.15 bn in 1990.

A country-specific breakdown was not available as *Africa Recovery* went to press. Nevertheless, a number of countries, such as Côte d'Ivoire and Nigeria, have suffered falling per capita incomes and have recently become eligible to borrow from IDA. During the year, the Bank boosted IDA resources by some $850 mn from its own reserves.

Trends in sectoral lending also reflect the growing financing problems facing many African countries, with a resurgence in non-project lending to 24.5 per cent of the total ($833 mn), from under 7 per cent ($272 mn) in 1990. Total non-project lending had exceeded $1 bn in 1989. Lending to agriculture, education, telecommunications, transport and urban development all fell, though loans for population, health and nutrition, and to the oil and gas sector all rose.

Overall Bank lending in 1991 rose to $16.4 bn from $15.2 bn in 1990. The number of countries in "nonaccural status" — that is, not eligible to borrow — fell to seven, Zambia having cleared all its outstanding obligations. The Bank notes that Sierra Leone, another nonaccural country, has also started to make partial service payments on its debt. ■

Debt hampers forestry deal

The Group of 77 developing countries has urged industrialized countries to recognize that the root causes of deforestation were poverty — which gave landless people few options in how to grow food and secure fuelwood — and external debt — which obliged debtor nations to earn foreign exchange to service it. If developing countries are to conserve their forests, said the Group of 77, developed countries should compensate them for lost profits. This position was contained in a Group of 77 paper presented to a late August preparatory meeting of the UN Conference on Environment and Development in Geneva. The European Community, Canada and the US were arguing for legally binding international forest conventions to promote conservation.

However, 27 developing countries which together possess some 97 per cent of the world's remaining tropical forest, owe around $630 bn, nearly half of all developing country external debt. The Group of 77 opposed any convention that would impose limitations on their sovereignty over their forest resources.

In a related development, the World Bank Group has said it would no longer finance commercial logging in tropical moist forests "under any circumstances." According to the Bank's new Forest Policy Paper published in July, "rigorous environmental assessments" will also now be made of any infrastructural projects — roads, dams, mines — which may lead to loss of primary forests. The new document is the first revision since 1978 of Bank policy on forestry lending. Such Bank lending has sometimes had an "undesirable impact" on forest resources, said Mr. Michel Petit, director of its Agriculture and Rural Development Department, who added that many non-governmental organizations (NGOs) had provided "valuable and significant input" to the new policy paper.

According to the Environmental Defense Fund, one of the NGOs that took part in consultations with the Bank, the published paper is a welcome improvement on earlier drafts, but is still "non-committal" in certain important areas, such as the right of local communities whose livelihood depends on forests, to take part in and review environmental assessments.

Mr. Petit said the Bank would pay special attention to 20 countries which contain 85 per cent of the world's tropical moist forest and whose forests are threatened by encroachment and destruction. The African countries he listed are Cameroon, Central African Republic, Congo, Gabon, Côte d'Ivoire, Madagascar and Zaire. ■

Poverty, debt and NGO pressure have encouraged new forestry policies.

Political will for debt relief

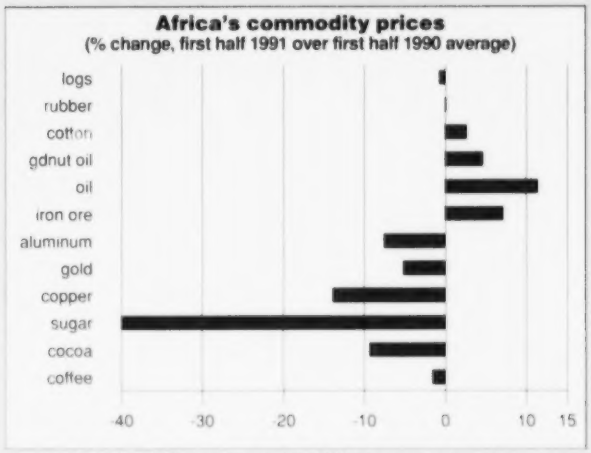
Rapid and large-scale reduction of all types of African debt and debt service is possible if donors apply the same political will they did in providing substantial debt relief for Poland and Egypt. This was one of the conclusions of a Parliamentarians for Global Action roundtable meeting in Abidjan, Côte d'Ivoire last July. Parliamentarians from eight African and three Northern countries agreed that the first priority for donors was to adopt a coherent debt strategy that would dramatically reduce Africa's bilateral, multilateral and commercial debts and aim to restore growth and development. Another priority was for more support for the democratization process which was "equally vital to the continent's development".

The "Abidjan Declaration" issued at the end of the two-day conference, called for "greater transparency" in meetings of World Bank consultative groups and of the Paris Club of bilateral creditors. It said African debt relief negotiations should take place at Consultative group meetings, with agreements on relief for individual countries ratified by the Paris Club. The conference also called on the In-

ternational Monetary Fund to adopt a policy of "zero net transfers" for at least the 1991-97 period, observing that the IMF had "extracted over $3 bn by way of debt-service collections from low-income countries in sub-Saharan Africa" between 1986 and 1990. Participants agreed that the IMF should retain its policy advisory role, but reduce its financing role in low-income Africa over the medium term. They felt the World Bank should increase both concessional and non-concessional lending to such countries as Côte d'Ivoire, Nigeria and Senegal "where net transfers from the Bank are negative". The conference called for 5 per cent real growth in aid from OECD countries from past levels of 3 per cent. ■

Commodity prices stay down

Prices for many of Africa's major commodities remain depressed in the first half of 1991, reinforcing a generally gloomy picture for export prospects for the continent. The overall commodity index published by the London-based *The Economist* fell to its lowest level ever in real terms in April and has generally stayed flat since then.



Africa Recovery's monitoring of major African export commodities showed that only oil, iron ore and groundnut oil enjoyed any significant upturn in the first six months of 1991 (see graph). Oil's improved performance relative to the first half of 1990 reflected the extent of the rise in prices caused by the Gulf crisis. Prices have generally fallen steadily since February.

Iron ore was the exception to a continuation of the downward trend in metal prices under way since early 1990. The hesitancy of any economic recovery in industrial economies means that prices of copper and aluminium are likely to remain low. Zaire, a major copper exporter, was doubly hit, with a 25 per cent fall in output in 1990, caused in part by a deepening economic crisis in the country.

Coffee prices, as expected, remained flat, but the hoped-for modest improvement in cocoa prices failed to materialize. Instead, prices were down nearly 10 per cent in the first half of 1990, adding to the economic difficulties of major exporters like Côte d'Ivoire. The most spectacular fall was in sugar, which maintained its record as the most volatile of African exports, in price terms, with a near-40 per cent plunge thanks to an unexpected production surplus this season. Predictions of a deficit for the 1991-92 season could help to strengthen prices. Cotton could show the reverse of this trend. Prices remained high in the first half of 1991 reflecting the shortages first apparent in the second half of last year. But plentiful supplies predicted in the second half of 1991 were already making themselves felt with price falls in July and August.

UN to work in South Africa

The Office of the UN High Commissioner for Refugees (UNHCR) and the South African government initialled an agreement on 16 August providing for the voluntary repatriation of some 40,000 South African refugees and political exiles. The accord permits the first UN presence in South Africa.

"For UNHCR, this agreement marks the beginning of the end of a 30-year-long human tragedy," said Mrs. Sadako Ogata, the High Commissioner. "For South Africa, it is a giant step toward the construction of a society where all South Africans enjoy basic human rights."

Mr. Pallo Jordan, Information Director of the anti-apartheid African National Congress, welcomed the agreement which grants a comprehensive amnesty for all political offenses allegedly committed by refugees.

Negotiations on the repatriation accord had been difficult, lasting some 16 months. Besides being granted amnesty, those exiles and refugees who choose to return home are to be allowed complete freedom of movement. UNHCR is to oversee their repatriation and reintegration, have free access to all returnees anywhere in the country and will be able to make representations for people not granted amnesty.

UNHCR estimates that repatration costs will range between $35 mn and $40 mn. Sweden's aid minister announced the day after the initialling that his country would provide $2 mn. ■

School a priority for girls

Illiteracy in Africa must be reduced by at least half by the year 2000, and special attention must be paid to the education of girls and women. These are major targets identified by African education and economic planning ministers at a July conference in Dakar, and by a new UNESCO project called Priority Africa.

UNESCO statistics for 1989 show that almost half the African girls of primary school age (6-11) were not in school, and that those in school in most countries were only some 40 per cent of all pupils. The African ministers conference considered proposals on appropriate education structures and strategies for the 1990s, and a long-term action plan for basic education for all.

UNESCO Director-General Frederico Mayor stressed that Africans had to work towards exchanging ideas, data, experience and know-how, and also the sharing of resources. Describing African teachers as representatives of the organization, Mr. Mayor said that UNESCO should be represented not only in ministries of education, but must also be represented in the ministries of finance where priorities are decided.

UNESCO's Priority Africa project aims, in collaboration with such agencies as UNDP and UNICEF, to help African countries increase female primary school attendance, and reduce their high drop-out rates.

Specialists from all African countries will meet in Burkina Faso early next year to examine country reports, and plan strategies with help from UNESCO and both bilateral and multilateral partners. ■

AFRICA AGENDA

FORTHCOMING EVENTS

1-4 October, Addis Ababa, Ethiopia: Establishment of an African Regional Trade Information Network is the subject of a meeting of an OAU Ad Hoc Experts Group.

15-17 October, Bangkok, Thailand: Annual meetings of the International Monetary Fund and World Bank, preceded by meetings of the Interim and Development Committees.

22 October, London, UK: Economic Prospects for Developing Countries — Their place in the new international economy of the 1990s, is a conference organized by the Overseas Development Institute to discuss the implications for developing countries of the GATT Uruguay Round and other trade negotiations, as well as of donor responses to events in Eastern Europe.

October, Harare, Zimbabwe: Commonwealth Heads of State and Government meeting.

6-8 November, Addis Ababa, Ethiopia: Regional Seminar on Developing Sustainable Programmes for Women's Increased Access to Credit and Entrepreneurship Development in the African Region.

19-22 November, Dakar, Senegal: Development of Entrepreneurial Capability for Cottage and Small-scale Industries is a workshop held by the Economic Commission for Africa to focus on the role of women in promoting industrial development in the West African subregion.

19-30 November, Cairo, Egypt: Development and Processing of Medicinal Plants is the theme of a workshop and study tour organized by the Economic Commission for Africa.

21-22 November, Addis Ababa, Ethiopia: Conference of African Ministers responsible for human resources planning, development and utilization.

25-29 November, Addis Ababa: Conference of African Ministers of Finance.

WHAT'S TAKEN PLACE

2-5 April, Arusha, Tanzania: Constitutionalism and Human Rights Law in Africa was the theme of a conference organized by the African Society of Comparative Law.

22-23 April, Tunis, Tunisia: Conference of francophone ministers of environment.

23-25 May, Windhoek, Namibia: Thirty Years of Independence in Africa: Results and Prospects was a conference organized by the African Association of Political Science with the Namibian Ministry of Foreign Affairs.

6-7 June, Abidjan, Côte d'Ivoire: Cooperation among developing country commodity producers, organized by the UN Conference on Trade and Development with the Ivorian government.

17-21 June, Accra, Ghana: Size and Cost of the Civil Service in Africa, was a workshop organized by the UN Department of Technical Cooperation for Development.

26-28 June, Nairobi, Kenya: East African Computer and Telecoms Show: Resources, Applications and Future Directions.

4-7 July, Abuja, Nigeria: Summit of the Economic Community of West African States (ECOWAS).

9-11 July, Gaborone, Botswana: Human and Trade Union Rights in Africa, a conference organized by the International Confederation of Free Trade Unions for African union leaders in particular.

2-7 September, Accra, Ghana: Ministerial meeting of the Non-Aligned Movement.

5 September, New York: Commodity Strategies versus Food Security was the theme of the sixth symposium of the Advocates For African Food Security held at UN headquarters, with Mr. Alex Ashiabor of UNCTAD as keynote speaker.

5-6 September, New York: Global Environment Investment Conference, organized by the Investment Management Institute, with co-sponsors including the UN Environment Programme, the American Reinsurance Company and the International Finance Corporation, considered investment opportunities in environmentally sound projects and technologies.

8-10 September, Windhoek, Namibia: Challenges of Post-Apartheid South Africa to Southern Africa in particular and Africa in general, was a conference organized by the Africa Leadership Forum.

9-10 September, Paris, France: Global Coalition for Africa inaugural meeting of the advisory committee.

AFRICA BOOKS

New on the shelves

Aid and Power: The World Bank and Policy-based Lending, by Paul Mosley, Jane Harrigan and John Toye (Routledge, London; 1991; Vol 1. £45 hb; £12.99 pb; Vol. 2. £55 hb; £16.99 pb). The authors discuss in the first volume the origins of adjustment lending, the bargaining strategies involved, and the criteria for evaluating adjustment programmes and their results. The also make proposals for reforms in aid policy.

Volume two contains nine country studies from Asia, Latin America and Africa (Ghana, Malawi, Kenya) showing differing, and sometimes ingenious responses to political threats posed by Bank conditionality. The authors find positive results from some economic reforms, particularly on the external account, but insignificant impact on growth and resource inflows, and negative effects on productive investment, as well as on the welfare of low-income groups in some cases.

Alternative Strategies for Africa, Vol. 2: Environment, and Women, ed. by Mohamed Suliman (Institute for African Alternatives; London; 1991; £5.95) contains general discussion and case studies on environmental issues in the first part, and on women's issues in the second, all in the context of sustainable development strategies. Several of the 19 chapters relate also to agriculture, while the case studies include Namibia, Nigeria, Ghana, Sudan, Tanzania, Uganda and Botswana.

Voices from Africa, No. 2: NGOs and Grassroots Development Voices from Africa, No. 3: War, Armed Conflict, Destabilization (United Nations Non-governmental Liaison Service; January 1990, and March 1991; available free of charge from the NGLS offices in Geneva and New York). Both volumes are made up entirely of articles by African NGO activists on the challenges to Africa's development.

Academic Freedom and Human Rights Abuses in Africa (Africa Watch; Washington, London and New York; 1991; $15) With reports on 16 countries, and an introduction to the evolution of the university in Africa, this book argues that academic freedom is increasingly under attack even at a time of widespread popular movements in Africa for democracy.

Strikes Have Followed Me All My Life — A South African Autobiography, by Emma Mashinini (Routledge, New York; 1991; $39.95 cloth, $13.95 paperback) provides a "living memory of the evil of the apartheid regime" and of the struggles against it as reflected in Mashinini's life and role as first General-Secretary of the Commercial, Catering and Allied Workers Union of South Africa.

The Poor Die Young: Housing and Health in Third World Cities, ed. by Sandy Cairncross, Jorge Hardoy and David Satterthwaite (Earthscan, London; 1991; £19.95) discusses low-cost innovations in the supply of social services and utilities, and the partnership needed to develop community self-help.

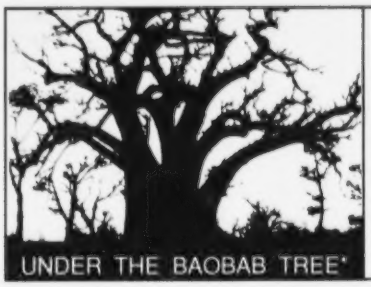
African Emigrés in the United States — A Missing Link in Africa's social and economic development by Kofi Apraku (Praeger, USA; 1991; $42 cloth) analyzes the nature and quantity of Africa's skilled emigrants working in the US, and the policy reforms needed in Africa to maximize their potential contribution, including the implications for donor aid policies.

Europe: 1992 and the Developing World, by Michael Davenport with Sheila Page (Overseas Development Institute, London; 1991; £9.95). Analyses the implications of the Single European Market for developing countries (with Côte d'Ivoire, Kenya and Zimbabwe among the country studies), and concludes that prospects for the latter are not encouraging.

Better Life Technologies for the Poor, Vols. 2 and 3, by Dr. F. A. Ryan (Caritas India, CBCI Centre, Ashok Place (Gole Dakhana), New Delhi-110 001, India; 1990; 50 rupees) aims to help rural people and non-governmental organizations multiply income-generating opportunities and improve living standards with 200 low-cost activities using local techniques, and local raw materials.

L'Afrique tropicale, nain ou géant agricole by Pierre Gourou (Flammarion, Paris; 1991; FF115) compares agricultural systems and productivity in India's Tamil peninsula with rural areas of central Africa (mainly Zaire, Tanzania and Zambia, but also touching on Nigeria, Cameroon, and Congo), and recommends learning from Indian rather than Western models of agricultural development.

Development Research: The Environmental Challenge, ed. by James Wimpenny (Overseas Development Institute, London; 1991; £9.95) reviews key questions with an agenda for future research.



PEACE FOR YOUNG VICTIMS OF WAR

DJIBRIL DIALLO

Events during the Gulf War and its aftermath serve to remind us yet again that when nations resort to armed conflict it is women and children who suffer disproportionately. Some are killed and wounded directly in battle through bombardment, or by mines. Many more become refugees and displaced persons, often in conditions that undermine their health and threaten their lives. Always, the wartime dislocation of economic activity, especially the disruption of food production and distribution, leads to increased malnutrition, disease and death. The breakdown and destruction of social services, the diversion of trained personnel and resources to the war effort, the separation of families, and the rupturing of traditional social structures, all have their greatest impact upon the most vulnerable members of society.

Victims of war

The fact is that before 1945, most victims of war were soldiers. In the 150 wars since then, 80 per cent of the 20 million dead and 60 million wounded have been civilians, most of them women and children. Untold numbers of children have also been abandoned, orphaned, or taken as hostages. Millions will never see their families again. And an estimated 7 million children, mostly in Africa, are now growing up in refugee camps, often deprived of adequate food, health care and education, as well as of identity and nationality.

War and civil strife have hit African women and children with particular ferocity, generating a statistical portrait of a tragedy that may be unequalled on any other continent. Women and children account for 92 per cent of war-related deaths in Africa. For every child killed in the continent's zones of conflict, as many as three more are wounded or disabled. Many others are traumatized. Half of the world's 25 million refugees and displaced persons are in Africa, the majority women and children.

The media-led focus on the horrors of events in Kuwait, Iraq and the surrounding region has drawn attention away from some of the continuing man-made tragedies in Africa. From Somalia, Sudan and Ethiopia in the east, to Liberia in the west, and to Angola and Mozambique in the south, African children continue to suffer the effects of war and destabilization. Many of these struggles have gone on for decades, so that whole generations have grown up knowing nothing but war, when they have been lucky enough to survive.

Children have also been used to fight wars. In recent years, some 200,000 under-15s have been 'recruited' into armed forces, sometimes opening the way across mine fields at the cost of life and limb, and always made to kill and to die alongside adults.

Corridors of peace

In Africa, as in Central America and the Middle East, innovative strategies and tactics are being tried, not in pursuit of war and civil conflict, but rather to mitigate the effects of these horrors on women and children. These interventions, whether zones and corridors of peace, or days of tranquility, are designed to shelter children from some of the consequences of war. They may provide opportunities for moving children out of war zones; they may involve a temporary cease-fire for undertaking immunization campaigns and other campaigns in support of child protection, survival and development. They may permit "corridors of peace" through which food and humanitarian supplies may pass to non-combatants across battle lines.

All these measures were supported by the World Summit for Children, held at the United Nations in New York in September 1990. The Declaration, approved by the 71 heads of state and government present in New York, and subsequently signed by a majority of world leaders, says: "We will work carefully to protect children from the scourge of war and to take measures to prevent further armed conflicts, in order to give children every where a peaceful and secure future. We will promote the values of peace, understanding and dialogue in the education of children. The essential needs of children and families must be protected even in times of war and in violence-ridden areas. We ask that periods of tranquility and special relief corridors be observed for the benefit of children, where war and violence are still taking place."

Recent examples in which countries and opposing factions have agreed to suspend hostilities and adopt special measures such as corridors of peace and days of tranquility need to be applied in all such situations. To build the foundation for a peaceful world where violence and war will cease to be acceptable means for settling disputes and conflicts, children's education should inculcate the values of peace, tolerance, understanding and dialogue.

UNICEF has sought to find ways to insulate or buffer children from the consequences of actual conflict. Thus the emergence of the concept of the Days of Tranquility, pioneered in El Salvador in 1985 where such days enabled the immunization of children. This concept has since been implemented in Sudan in 1989, where corridors of tranquility enabled supplies to be shipped into conflict areas, avoiding repetition of the 1988 tragedy of 250,000 civilian deaths — mainly children — from war-related causes. Similar arrangements now exist in Ethiopia, Angola and Liberia. The Special Relief Programme for Angola, for example, involved sending relief convoys across battle lines to deliver food and other items to war and drought victims.

Protection for children

Such interventions have the sanction of international law, and are enshrined in the United Nations Convention on the Rights of the Child. This Convention seeks to outlaw the use of children in war, and promote the concept of children as a "zone of peace" in order to protect the child's one chance of growing normally in mind and body. Among other things, the Convention says children under 15 years old should not "take a direct part in hostilities," and that governments must not recruit them into their armed forces. If governments do recruit among the 15-17 age group, they should take the oldest first.

Governments must also "take all feasible measures to ensure protection and care of children who are affected by an armed conflict."

UNICEF's mandate recognizes that it should seek to reach children everywhere, even in the midst of war. This has led to worldwide acceptance that UNICEF's working relations with local authorities do not constitute any form of legitimization or recognition of that local authority. ■

**The African Baobab is one of the world's hardiest trees, thriving in even the most arid environment. It is also the tree under which some Africans traditionally meet to decide issues of common concern.*

AFRICA WATCH

AID FLOWS

Steady growth in Japanese ODA

Sub-Saharan Africa's share of Japan's official development assistance (ODA) virtually doubled in the 1980s, according to preliminary data of the Organisation for Economic Cooperation and Development (OECD). Reviewing Japan's ODA policies and performance in late June, the OECD's Development Assistance Committee (DAC) welcomed its "sustained growth" — making Japan, with $9.08 bn in 1990, the second largest aid donor after the US. DAC noted that in real terms, the 7.3 per cent average annual growth rate of Japanese aid in 1978-90 was more than twice the DAC average.

Japan's ODA has remained at 0.31 per cent of its GNP since 1989, but is expected to rise closer to the DAC average of 0.35 per cent by 1992. DAC voiced concern, however, that Japanese aid administration was "seriously understaffed", especially in the field. With new priorities including participatory development, environment, and women in development, which would become increasingly staff and management intensive, there was cause for concern over future capacity to manage a rapidly growing aid programme.

DAC also pointed out that the share of grants in total Japanese ODA was the lowest (43 per cent) among DAC countries and well below the 76 per cent DAC average. It said the share of grants should increase, particularly to low-income countries. ■

FOREIGN INVESTMENT

Oil exporters get lion's share

Africa's share in total flows of foreign direct investment (FDI) to developing countries rose from 9 per cent in 1980-84 to 12 per cent in 1985-89. However, African oil-exporters accounted for most of the increase, with Egypt and Nigeria receiving 86 per cent of 1989 inflows of $4.3 bn. For non-oil exporting African countries, FDI averaged less than $500 mn in 1981-89. According to the 1991 *World Investment Report* published by the UN Centre on Transnational Corporations, net resource transfers through FDI had become positive for Africa, moving from a net outflow of $740 mn in 1980-84 to a net inflow of $520 mn in 1985-88. Still, FDI inflows remain more important for Africa than any other world region. The 6.1 per cent share of annual average FDI in Africa's gross domestic capital formation was little higher than in Latin America and the Caribbean (6 per cent) and in Asia and the Pacific (5.9 per cent) in 1980-82. But in 1985-87, while the average share of FDI in developing country capital formation rose from 6 to 6.1 per cent, it leaped to 9 per cent in Africa's case.

The Report said the share of least developed countries (LDCs) in total FDI to developing countries fell from 1.5 per cent in 1980-84 to only 0.7 per cent in 1985-89, with actual 1989 inflows amounting to $200 mn. It added that the marginalization of the (mostly African) LDCs was likely to continue as flows to developing countries "are highly concentrated in newly industrializing and resource-rich countries." It pointed out that in 1988-89, more than half of all FDI flows to developing regions went to East, South and South-East Asia, confirming a trend that had been rising since 1986.

Despite this, developed economies still receive by far the greatest amount of FDI, their share in world flows rising from 75 per cent in 1980-84 to 81 per cent in 1985-89. ■

Mrs. Maryam Babangida, wife of the Nigerian President, and Professor Wangari Maathai from Kenya will receive this year's Hunger Project Africa Prize for Leadership for the Sustainable End of Hunger in London on 19 September. Maryam Babangida was recognized for founding the Better Life Programme for Rural Women in 1987 which has since launched successfully thousands of cooperatives, cottage industries and farms, besides mobilizing women voters and setting up welfare programmes. Wangari Maathai founded the Green Belt Movement which has involved 50,000 women in afforestation activities and has spread, as a community development movement, to 12 other African countries.

HEALTH

Water needs more funding

Too many people, too few resources, concluded delegates from 46 African nations at the African Water Supply and Sanitation Sector conference in Abidjan in May as they decided against setting the year 2000 as the target for attaining full coverage of water supply and sanitation in Africa. According to UN figures, 20 million more Africans lacked safe water, and 30 million more lacked adequate sanitation at the end of the International Drinking Water Supply and Sanitation Decade than at the beginning. Water supply in Africa had risen to 64.5 per cent, and to 52.5 per cent for sanitation, according to possibly optimistic government statistics, but this barely matched population growth of over 3 per cent a year, and far higher urban growth rates.

Delegates agreed that user-fees must be charged for water and sanitation services, and that privatization — coupled with investment according to effective demand — would increase efficiency. They said African governments were unlikely to be able to increase their own investment in these vital social services. But with donors already providing 70 per cent of Africa's spending on water and sanitation, the cost of full coverage in these services throughout Africa could reach $27 bn, or about half of total worldwide official grants and loans to developing countries in 1989. ■

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